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AMERICA'S  
ECONOMIC SUPREMACY

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# AMERICA'S ECONOMIC SUPREMACY

BY

BROOKS ADAMS

AUTHOR OF "THE LAW OF CIVILIZATION AND DECAY"



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## PREFACE

DURING the summer of 1893 I became convinced that the financial convulsion which involved so many widely separated communities could only be due to some profound perturbation which extended throughout the world. Further reflection led me to surmise not only that such a disturbance actually existed, but that it originated at the very heart of the modern social system, or, in other words, at London, and that it was caused by a relative decline in British vitality and energy. On examining the evidence, I concluded that the old social equilibrium, which had been established in 1815 upon the fall of Napoleon I., had received its first shock in 1870, when Germany consolidated after the overthrow of France; but that the ultimate effects of this shock only began to be apparent twenty years later. In 1890 the panic took place which ruined the Barings, and thenceforward, year by year, graver phenomena have been developed, until war supervened in 1898, and the outbreak in China in 1900.

It is only with the last three years of this decade that the following essays deal. They have been written from time to time without conscious reference to each other, but I find on looking them over

that they form, to some degree, a connected whole, and that they admit of being published in chronological order.

If I am right in my conjectures, most of the greatest catastrophes in history have occurred because of the instinctive effort of humanity to adjust itself to changes in the conditions of life, wrought by the movement from point to point of the international centre of empire and wealth. The French Revolution was the last of these spasms. At the close of the Napoleonic wars the world's capital had definitely established itself upon the Thames. It indisputably remained there during nearly three generations. Apparently, however, toward 1890, a new period of instability opened. Civilization then seems to have entered upon a fresh epoch of unrest, and the inference is that no condition of permanent tranquillity can be reached until a new equipoise shall have been attained.

Approached from this standpoint, the most important and absorbing phenomenon of our time is the condition of Great Britain; for, should she not be maintaining her energy relatively to the development of energy elsewhere, her supremacy must be passing from her, either toward the east or west.

At present indications are not wanting that the seat of wealth and power is migrating westward, and may even now have entered America. How long it will abide there must depend upon the operation of forces as yet hardly brought into action, chief among



which, doubtless, is the industrial development of the East.

A discussion of the changes which must be wrought in American social and political institutions before the United States can successfully assume the responsibilities, and cope with the dangers incident to such an unquestioned supremacy as that which England has enjoyed during almost a century, lies beyond the scope of the following articles. It suffices to observe that, if the reasoning upon which they are based is sound, regrets and opposition are alike unavailing. These mighty revolutions move on as inexorably as any other force of nature, and with the same results. Should the United States be destined to fulfil the functions which have been fulfilled by the dominant nations of the past, the corresponding administrative machinery will be duly evolved, as well as the men fitted to put that machinery in action.

The essays stand in the following chronological order:—

“The Spanish War and the Equilibrium of the World” appeared in the *Forum* for August, 1898; “The New Struggle for Life among Nations,” in *McClure’s Magazine* for April, 1899; “England’s Decadence in the West Indies,” in the *Forum* for June, 1899; “Natural Selection in Literature,” in the *Anglo-Saxon* for September, 1899; and “Russia’s Interest in China,” in the *Atlantic Monthly* for September, 1900.

I beg to thank the editors of the above periodicals for their obliging acquiescence in my request to reprint these contributions, and I have also to express my obligation to the proprietors of the *Contemporary Review* for permission to reproduce the map of the battle-field of Colenso, which they published in July, 1900, in connection with a very able article on "Modern Tactics" by Lieutenant Burde, late of the Prussian army. I am likewise indebted to the same article for numerous facts about the action on the Tugela which I should have been unable to learn elsewhere.

BROOKS ADAMS.

QUINCY, August 2, 1900.

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## THE SPANISH WAR AND THE EQUILIBRIUM OF THE WORLD

COULD we regard the Spanish War as calmly as if it were a thing of the past, we should doubtless perceive that it formed a link in a long chain of events which, when complete, would represent one of those memorable revolutions wherein civilizations pass from an old to a new condition of equilibrium. The last such revolution ended with Waterloo: the one now at hand promises to be equally momentous.

In 1760 Holland, probably, still contained the economic centre of the civilized world; but by 1815 that centre had indisputably moved northwest to the mouth of the Thames, England had become the focus of capital and industry, and second to England—and to England alone—stood France. It then appeared as though the seat of empire had definitely established itself in the region

of Europe contained between the Atlantic Ocean, the North Sea, and the Rhine: but, on looking back, the inference is unavoidable that decay must have set in almost at once; for in 1870 France, after a sharp struggle, collapsed. Since 1870 the forces which caused this catastrophe have continued to operate with increased energy.

The conclusion to be drawn from these premises is that, from either a military or an economic standpoint, the equilibrium of 1815 has been destroyed. Disintegration seems to have set in; and that disintegration is sweeping capital and industry in opposite directions from their former centres,—to the east from Paris, and to the west from London. On the Continent the focus of industry has long since crossed the Rhine, and is receding toward the Vistula; while an equally marked tide has run from the British Isles toward America.

Perhaps the simplest illustration of this phenomenon is the iron trade, the basis of modern manufactures. In the middle of the last century France led in the production of pig-iron; England and Germany were nearly



equal; while America produced but little. The pig-iron produced in 1740 was as follows: France, 26,000 tons; Great Britain, 20,000; Germany, 18,000; America, 1000 tons.

During the next hundred years England distanced France; France gained relatively on Germany; and America increased her product from one-twentieth to more than one-fifth of that of the United Kingdom. The following was the product of pig-iron in 1840: Great Britain, 1,390,000 tons; France, 350,000; United States, 290,000; Germany, 170,000 tons.

After 1870 the movement became accelerated. Between 1880 and 1896 the German output grew from 2,729,038 to 6,360,982 tons; while that of France, which had been 1,725,293 tons in 1880, was only 2,333,702 in 1896. The following extract from the *Industrial World* of February 3, 1898, puts in a nutshell the altered relations of the two nations:—

“The rapidity with which the manufacture of hardware has grown in Germany may be judged from the fact that it compared with that of France in 1875 as four to three, and in 1895 as five to two.”

But if Germany has outstripped France, the activity of America has been even greater. In 1840 the United States had not entered the field of international competition; in 1897 she undersold the English in London; and her product for 1898 promises nearly to equal that of Great Britain and France combined.

In Great Britain the production of pig-iron in 1880 was 7,749,233 tons; in 1896, 8,660,000; and in 1897, about 8,930,000 tons. Her exports of the same were: In 1880, 1,632,343 tons; in 1896, 1,060,165; and in 1897, 1,201,104 tons. Thus it would appear that the English iron industry is relatively stationary.

The United States, on the other hand, in 1870 produced 1,665,179 tons of pig-iron; in 1880, 3,840,000; and in 1897, 9,807,123 tons; while for the present year the estimates reach a million tons a month.<sup>1</sup>

The exports of pig-iron amounted last year to 168,000 tons; and manufactured steel is exported in increasing quantities not only to India, Australia, Japan, and Russia, but to the

<sup>1</sup> The actual production for 1898 was 11,962,317 tons.

United Kingdom itself. As the *Economist* of April 16, 1898, observed:—

“The fact, that the United States is now able to produce pig-iron and some forms of steel cheaper than this country, is a serious menace to our foreign trade in the future.”

Furthermore, there are indications that accumulated wealth is following in the track of industry. With France this proposition seems demonstrable. The outflow began with the war-indemnity of 1871, which, alone, may have tipped the balance toward Germany; and since 1870 the victors have continually squeezed the vanquished. Isolated and weak, France, with the instinct of self-preservation, has amalgamated with Russia, and, to strengthen her ally, has remitted thither the bullion which might have expanded her manufactures at home. The amount lent has been estimated at \$2,000,000,000,—perhaps it is more. Certainly it has sufficed to vitalize Northern Asia. Under this impulsion the Russian Empire has solidified, and mills and workshops have sprung up on the Southern Steppes; while Poland is becoming a manufacturing province. The Russian railway system is stretching eastward;

it is under construction to Peking; and it is said to be projected to Hankow, the commercial capital of the great central provinces of China. Nor has Russia alone benefited. No small portion of this great sum has percolated to Germany, where the Russians have bought because of advantageous prices. Thus, yielding to a resistless impulsion, France is being drawn into the vortex of a Continental system whose centre travels eastward.

The United Kingdom, though untouched by war, has presented nearly parallel phenomena. The weak spot of English civilization is the failure of the Kingdom to feed the people. This failure not only necessitates a regularly increasing outlay, but throws the nation on an external base in case of war. A comparison of quinquennial averages, taken at equal periods since 1870, shows that, while the value of exports has regularly fallen, the value of imports has risen, until the discrepancy has become enormous; the growth of the adverse balance in twenty-five years having been 20 per cent. The following table will explain the situation:—



## EXPORTS AND IMPORTS OF THE UNITED KINGDOM

## TOTAL EXPORTS

Periods	Amounts	Decrease
1871-1875 . . . . .	£1,197,512,196	
1881-1885 . . . . .	1,161,429,669	3 %
1891-1895 . . . . .	1,134,770,481	2½ %

## TOTAL IMPORTS LESS RE-EXPORTS

Periods	Amounts	Increase
1871-1875 . . . . .	£1,510,099,864	
1881-1885 . . . . .	1,682,727,419	11 %
1891-1895 . . . . .	1,775,694,339	5½ %

Last year the apparent deficit reached £157,055,000 (nearly \$800,000,000); and the first four months of 1898 show a loss of £10,000,000, as compared with the same months of 1897.<sup>1</sup> Nor does the mere statement of the figures reveal the gravity of the situation. The effect is cumulative; for, as charges grow, surplus income declines. However large a revenue the British may have drawn from foreign investments when those

<sup>1</sup> The adverse balance in 1898 reached £176,594,207.

investments were in their prime, no one supposed it to be £160,000,000; and there can be no doubt that their income from this source has shrunk considerably. First, the interest rate is less than formerly; second, bankruptcy has wiped out many debts since 1890; third, there has' been a heavy sale of foreign — especially of American — securities in London. Yet, in spite of such sales, many millions of gold have been shipped lately to New York; and bankers believe that many millions more are loaned in London at higher interest than can be obtained here. Most significant of all, perhaps, is the fact that Sir James Westland, the Indian Minister of Finance, inclines to ascribe the crisis in Hindostan rather to the withdrawal of English funds than to the closing of the mints. These facts tend to show not only that Great Britain is spending her capital, but that the flow of her money is toward America, as the flow from France is across the Rhine. Englishmen, it is true, having regard to the growth of their revenue, consider themselves most prosperous. They certainly enjoy a large surplus; and yet, perhaps, this elas-

ticity is hardly reassuring. On analysis, the items of taxation which show the chief increase are the succession duties and the excise. The one is notoriously a socialistic measure; while the other indicates increased extravagance in drink.

Turning from the economic to the military standpoint, the altered attitude of Europe is at least equally impressive. Lord Salisbury once described the disease which devoured the Balkan country as "gangrene." The same gangrene is devouring all the Latin races. The aggressive energy of France is, perhaps, dead. Few now believe her able, single-handed, to withstand Germany; and this feebleness draws her toward that social system which promises at no very distant day to consolidate Northern Europe and Asia in a mass hostile to the interests of all external races. Such a consolidation, should it mature, must threaten not the prosperity only, but the very existence, of England. Should it prevail, her geographical position would become hopelessly eccentric, and she would also be thrown upon the United States for food. At present there are but two locali-

ties where the wants of the British people can be certainly supplied: one is the coast of the Black Sea, the other that of North America. Under such conditions, however, the Black Sea would lie in the enemy's power; while the United States could probably close the St. Lawrence as well as her own ports. The support of the United States may thus be said to be vital to England, since, without it, if attacked by a Continental coalition, she would have to capitulate. Great Britain may, therefore, be not inaptly described as a fortified outpost of the Anglo-Saxon race, overlooking the eastern continent and resting upon America. Each year her isolation grows more pronounced; and, as it grows, the combination against her assumes more and more the character of Napoleon's method of assault, which aimed to subdue an insular and maritime antagonist by controlling the coasts whence that antagonist drew its subsistence.

Unconsciously, perhaps, to herself, insecurity as to her base has warped every movement of England and has given to her foreign policy the vacillation which has lately characterized



it. This weakness has caused her to abandon Port Arthur, to permit Germany to occupy Kiao Chou, and to look with pleasure to an alliance with this country.

But, if the United States is essential to England, England is essential to the United States, in the face of the enemies who fear and hate us, and who, but for her, would already have fleets upon our shores. More than this, the prosperity of England is our prosperity. England is our best, almost our only certain, market. She is the chief vent for our surplus production; and anything which cripples her purchasing power must react on us. For years past she has been losing her commanding industrial position. Her most lucrative trade to-day lies with the Far East; and if she is shut out there, her resources will be seriously impaired, and the money she no longer earns cannot be spent for food. Moreover, in those regions the interests of the two peoples are identical. The Russians hardly veil their purpose of reversing, by means of railways, the current of the Chinese trade as it has flowed for ages, and of using force to discriminate against maritime nations; but those who are excluded from the

Eastern trade have always lagged behind in the race for life.

Approached thus, the problems presented by the Spanish War become defined. Competition has entered a period of greater stress; and competition, in its acutest form, is war. The present outbreak is, probably, only premonitory; but the prize at stake is now what it has always been in such epochs, the seat of commercial exchanges,—in other words, the seat of empire. For upward of a thousand years the social centre of civilization has advanced steadily westward. Should it continue to advance, it will presently cross the Atlantic and aggrandize America. If, on the contrary, it should recede, America may have reached her prime. In the future the conflict will apparently lie—as it has done in the past—between the maritime and the unmaritime races, or between the rival merits of land- and sea-transport. A glance at history will prove the antiquity and fierceness of this strife.

From the earliest times, China and India seem to have served as the bases of human commerce; the seat of empire having always been the point where their products have been

exchanged against the products of the West. In the dawn of civilization, this point vibrated between Chaldea and Assyria; Babylon or Nineveh being the metropolis, as one or the other gained possession of the wholesale trade. The Phœnicians, on the coast, acted as carriers; and through them the shores of the Mediterranean were developed. As this development went on, the focus of affairs advanced to Carthage; and when Rome destroyed Carthage, exchanges passed from Africa to Italy, and the ancient civilization rapidly culminated. The law may, perhaps, be stated somewhat thus: In proportion as the Western races acquire the capacity for consuming Eastern products, the sphere of civilization expands, and the energy of centralization increases. Conversely, in proportion as the West has either lain dormant, or has lost the power of consumption, civilization has receded into Asia, and has there, in the valley of the Euphrates and the Tigris, created capitals, of which Nineveh, Babylon, and Bagdad may be taken as types.

Following this law, from the fourth century onward, as Italy, Gaul, and Spain sank into

barbarism, and Byzantium herself came to resemble a fortified frontier-post, peddling at retail to hunters and shepherds, the wholesale trade receded to Ctesiphon, on the Tigris, where, in the early part of the seventh century, reigned Chosroes, the greatest of potentates. At this time the Eastern Empire reached its lowest ebb. Poverty paralyzed the Greek armies. Constantinople built no churches, erected no statues, illuminated no books, neglected her coinage, and forgot her arts. In 618 the Emperor Heraclius, a great soldier, so despaired, that he freighted a fleet with his treasures, and prepared for flight to Africa. At this moment of utter exhaustion on the Bosphorus, Gibbon has thus described the magnificence of Dastagerd, in the valley of the Tigris, the abode of the Persian king:—

“Six thousand guards successively mounted before the palace-gate; the service of the interior apartments was performed by twelve thousand slaves. . . . The various treasures of gold, silver, gems, silk, and aromatics were deposited in a hundred subterraneous vaults. . . . The voice of flattery, and perhaps of fiction, is not ashamed to compute the thirty thousand rich hangings that adorned the walls; the forty thousand columns of silver, or more probably of marble and plated wood, that supported the roof;



and the thousand globes of gold suspended in the dome, to imitate the motions of the planets and the constellations of the zodiac."<sup>1</sup>

The peculiarity of the path of exchanges is that it lies east and west, not north and south. When Byzantium lost her Western market, the possession of Egypt or North Africa availed little. She became poor; and, as usual, poverty reacted on itself. The Greeks failing to protect their communications with Central Asia, Chosroes first succeeded in blocking the caravan routes, and then in invading Syria and Egypt and occupying their ports. When he had thus isolated his enemy, he had no difficulty in keeping an army at Chalcedon for ten years, in sight of St. Sophia. Had the Persians then commanded the sea, they would surely have succeeded where Artaxerxes had failed centuries before at Salamis. Certainly in the reign of Heraclius the Greeks were harder pressed than in the time of Themistocles; and would in any event almost inevitably have succumbed to the blockade had it not been for the advent of the Saracens. The Hegira occurred in 622; and the diversion was decisive. In

<sup>1</sup> Gibbon's "Decline and Fall of the Roman Empire," chap. xlv.

637 the Moslems sacked Ctesiphon, the Persian Empire crumbled, the ancient avenues of traffic were reopened, and exchanges began that long journey westward which has lasted till to-day. Constantinople was the first point in Europe to feel the impulsions. Her energy returned with her commerce; and by the ninth century she was again the seat of wealth and empire. Nevertheless her prosperity was ephemeral; fluctuating with that sensitive equilibrium which is the sport of war.

In the tenth century, as in the days of Nebuchadnezzar, the usual route from the Orient to the West lay up the Persian Gulf and the Euphrates to Thapsacus, and across Syria by caravan; with the difference, that it reached the sea by Aleppo and Antioch instead of by Tyre or Sidon.

Accordingly, Aleppo and Antioch flourished and served Byzantium as a base of supplies: yet they were Saracenic; and, in an evil hour, the government of Romanus II. determined to destroy them. In 962 the future emperor, Nicephorus Phocas, began a series of frightful campaigns. He utterly devastated the lovely valley of the Orontes, closing Syria to com-

merce, and forcing trade to pass through the Red Sea and the mouths of the Nile. Thenceforward cargoes changed hands at Cairo, not at Bassora; and the burden of the chronic war against the Greeks was shifted from the Caliphs of Bagdad to the Sultans of Egypt.

This stride westward made Cairo and Venice. Cairo became the seat of the wholesale trade; while the position of Constantinople grew geographically eccentric. Moreover, Venice prevailed as a market. Egypt, though rich in luxuries, lacked material of war, which was abundant in Europe. Constantinople rejected such trade with her enemy: but the Venetians sold greedily; and, therefore, Oriental traffic ascended the Adriatic, while Byzantium shared the fate of Bassora and Bagdad. The Venetian marine grew with her commerce. By the middle of the eleventh century it commanded the Mediterranean; and, with the Crusades, Northern Italy received an impulsion which raised it to undisputed economic supremacy. In 1204 the Doge Henry Dandolo stormed the works on the Golden Horn, and carried home the accumulated treasure of five hundred years.

✓ Movement is the law of nature. Venice fell through the energy of the very maritime genius she had fostered. In 1497 Vasco da Gama discovered a cheaper route to India than by the Levant. The arrival of his fleet at Calicut was the signal for exchanges to pass at a leap from the Adriatic to the North Sea; prostrating Venice, Genoa, Pisa, and Florence, raising Antwerp and Amsterdam, and heaving up the great convulsions of the sixteenth century.

The last journey of exchanges westward began when Clive disturbed the existing social status by pouring into England the plunder of Bengal. Plassey was fought in 1757. In the process of readjustment, Napoleon attempted to strangle England, as Chosroes had tried to strangle Byzantium. He failed; but the equilibrium then attained after forty years of war, now seems tottering to its fall.

Year by year since 1870, when France discovered symptoms of advanced decay, the gangrene has eaten deeper. Last year Greece passed into the throes of dissolution; this year Italy and Austria are in hardly suppressed revolution; while Spain is being dismembered, and in her disintegration has involved the



United States in war. The United States thus stands face to face with the gravest conjuncture that can confront a people. She must protect the outlets of her trade, or run the risk of suffocation. Those outlets are maritime, and are threatened by the same coalition which threatens England. The policy of Continental Europe is not new. It is the policy of Napoleon and of Chosroes; for Russia seeks to substitute land- for water-communication. In a few years Peking, and probably the Yang-tse, will be connected with Moscow and Berlin by rail; and then entirely new conditions will prevail. At present Continental interests in China are trifling. The following table, from a French source,<sup>1</sup> may be trusted not to belittle them:—

## EXTERNAL COMMERCE OF CHINA FOR 1894

*Total, Fr. 1,216,000,000, distributed thus:—*

COUNTRY	MILLIONS OF FRANCS	COUNTRY	MILLIONS OF FRANCS
England . . .	857	Japan . . .	77
United States .	108	Russia . . .	51
Western Europe	104	Others . . .	19

<sup>1</sup> "L'Illustration," of January 23, 1897.

This estimate placed the interest of the United States in 1894 at one-eighth of that of England, and at about one-eleventh of the whole; Russia's part amounted to only one twenty-fourth; and France, Germany, and Belgium, combined, represented one-twelfth. In a valuable report just issued by Mr. O'Beirne, of the British Diplomatic Service, the trade of the United States with China is reckoned at "one-seventh of the entire trade of the Empire in 1896," as "more than 50 per cent larger than the German exports," and as having increased "126 per cent in ten years." England and the United States have, therefore, to-day a stake in the Far East more than six times greater than that of Russia, Germany, France, and Belgium combined.

Nor is the present the matter of chief concern. The expansion of any country must depend on the market for its surplus product; and China is the only region which now promises almost boundless possibilities of absorption, especially in the way of iron for its railroads.

Like other Asiatics, the Russians are not

maritime. No Oriental empire ever rested on a naval supremacy. Phœnicians and Arabs alike failed to hold their own upon the sea; and, therefore, the path of commerce has been deflected north toward Rome and London, instead of continuing due west by Carthage and Cadiz. A century ago Gibbon pointed out that Chosroes failed, as Artaxerxes had failed before him, because of the weakness of his marine,—a weakness which contrasts with the vigour of the Greek, the Italian, the Dutch, and the English. The same flaw crippled Napoleon. Doubtless the difficulty of land-transport contributed to his fall; but how far that difficulty has been removed by steam is undetermined. Possibly the change has been radical enough to permit an Asiatic race now to succeed, if backed by French capital, where the French themselves failed.

From the retail store to the empire, success in modern life lies in concentration. The active and economical organisms survive: the slow and costly perish. Just as the working of this law has produced, during the last century, unprecedented accumulations

of capital controlled by single minds, so it has produced political agglomerations such as Germany, the British Empire, and the United States. The probability is that hereafter the same causes will generate still larger coalitions directed toward certain military and economic ends. One strong stimulant thereto is the cost of armaments. For example, England and the United States combined could easily maintain a fleet which would make them supreme at sea; while as rivals they might be ruined. The acceleration of movement, which is thus concentrating the strong, is so rapidly crushing the weak, that the moment seems at hand when two great competing systems will be left pitted against each other, and the struggle for survival will begin. Already America has been drawn into war over the dismemberment of one dying civilization; and it cannot escape the conflict which must be waged over the carcass of another. Even now the hostile forces are converging on the shores of the Yellow Sea: the English and the Germans to the south; Russia at Port Arthur, covering Peking; while Japan hungers for Corea, the key to the



great inlet. The Philippine Islands, rich, coal-bearing, and with fine harbours, seem a predestined base for the United States in a conflict which probably is as inevitable as that with Spain. It is in vain that men talk of keeping free from entanglements. Nature is omnipotent; and nations must float with the tide. Whither the exchanges flow, they must follow; and they will follow as long as their vitality endures. How and when the decisive moment may come is beyond conjecture. It may be to-morrow, or it may not be for years. If Russia and Germany can shape events, it will not be until their navies and railroads are complete. But these great catastrophes escape human control. The collapse of France might convulse society in an instant. Whether agreeable to them or not, economic exigencies seem likely to constrain Englishmen and Americans to combine for their own safety, and possibly hesitation as to their policy may be as dangerous as indecision in war.

Friends and enemies now agree that an Anglo-Saxon alliance, directed to attain certain common ends, might substantially make

its own terms; but how it would stand, if opposed by a Power capable of massing troops at pleasure in the heart of China, is less clear. What is tolerably certain, however, is, that, with the interior distributing-points well garrisoned, discrimination might go very far toward turning the commercial current against the maritime races. Supposing such discrimination to succeed, and China to be closed, the centre of exchanges might move east from the Thames; and then London and New York could hardly fail to fall into geographical eccentricity. Before the discoveries of Vasco da Gama, Venice and Florence were relatively more energetic and richer than they. On the other hand, if an inference may be drawn from the past, Anglo-Saxons have little to fear in a trial of strength; for they have been the most successful of adventurers. They have risen to fortune by days like Plassey, the Heights of Abraham, and Manila; and although no one can be certain, before it has again been tested, that the race has preserved its ancient martial quality, at least aggression seems a less dangerous alternative than quiescence. The

civilization which does not advance declines: the continent which, when Washington lived, gave a boundless field for the expansion of Americans, has been filled; and the risk of isolation promises to be more serious than the risk of an alliance. Such great movements, however, are not determined by argument, but are determined by forces which override the volition of man.

Should an Anglo-Saxon coalition be made, and succeed, it would alter profoundly the equilibrium of the world. Exchanges would then move strongly westward; and existing ideas would soon be as obsolete as those of a remote antiquity. Probably human society would then be absolutely dominated by a vast combination of peoples whose right wing would rest upon the British Isles, whose left would overhang the middle provinces of China, whose centre would approach the Pacific, and who would encompass the Indian Ocean as though it were a lake, much as the Romans encompassed the Mediterranean.

## THE NEW STRUGGLE FOR LIFE AMONG NATIONS

THE phase of civilization through which mankind is now passing opened in 1870. For many years previous to the German victory a regular quickening of competition, caused by a steady acceleration of movement, had been undermining the equilibrium reached at Waterloo; but the new era only began after the collapse of France. Within the generation which has followed that catastrophe the same forces, acting with gathering energy, have profoundly altered the conditions of life, and promise portentous changes in the future. Everywhere society tends to become organized in greater and denser masses, the more vigorous and economical mass destroying the less active and the more wasteful. Thus Latin Europe has rotted from end to end of the Continent, China is disintegrating, and England seems destined to lose her preëminence as the heart of the world's industry and finance. On the other



hand, Germany has grown to be the centre of an entirely new economic system, Russia is rapidly absorbing all Northern Asia as far as the Yangtse River, and the United States has been converted from the most pacific of nations into an armed and aggressive community.

Where these changes will lead is beyond prediction, but their advance may be followed from year to year, and, judging by the past, some estimate may be formed of the difficulties which confront America, and of the power of the combination of adversaries who may possibly assail her.

Up to 1873, England as a manufacturer stood without a rival, and she sold her wares at such a profit that, after exhausting domestic investments, a large surplus remained which she placed abroad, chiefly in Argentina, Australia, India, and America. The money so placed served in no small degree as the basis for the development of these countries. The first and most striking effect of the sharpened competition which followed 1870 was the advent of a period of falling prices, which soon began to work extensive complications. Agriculture suffered first, and in Great Britain, by

1879, farming had ceased to pay. Thenceforward the islands produced less and less food, the population buying their provisions abroad. Thus it happened that at the moment when the profit on exports withered under competition, a drain set in to pay for bread and meat, which increased with the growth of the nation. Apparently the balance of trade, which England still held on other commodities, and the income from foreign investments, proved insufficient to meet this drain; for, to pay their debts, the British proceeded to realize on their loans, and the liquidation which followed precipitated a crisis probably without a parallel. Its course seems to have been somewhat as follows: —

Until 1876, the United Kingdom easily imported all the gold she needed both to maintain an expanding currency and to supply her arts; but in 1877 the tide turned, and the next decade showed a net export of upward of \$11,000,000, to say nothing of what was absorbed in the arts. This loss represented coin directly withdrawn from circulation. A severe contraction followed, prices fell nearly  
+ 40 per cent, and by 1886 distress had grown so

sharp that, to obtain relief, sales were made of foreign securities. As these progressed, gold imports began again; in 1890 they even reached \$45,000,000; but the strain of payment ruined the debtors. In 1890 Argentina collapsed, and carried down the Barings; in 1891 Australia followed; while in 1893 the United States was shaken to its centre. Last of all has come the turn of India. There, within three years, society has seemed at moments on the brink of dissolution.

To speculate upon the final consequences of this financial revolution would be futile; but one of its immediate effects seems to be the displacement of the economic centre of the world, thus engendering an unstable equilibrium which threatens war. All the energetic races have been plunged into a contest for the possession of the only markets left open capable of absorbing surplus manufactures, since all are forced to encourage exports to maintain themselves. A good illustration is the case of the United States. The pressure of creditors has acted like a bounty on exports.

From 1848 to 1876, with the exception of three years — 1858, 1862, and 1874 — the im-

ports of the United States exceeded the exports. The total excess of exports of those three years amounted only to about \$29,000,000, while the excess of imports of the single year 1869 reached \$131,000,000. In 1876 England began contraction, and instantaneously the figures were reversed. Of the last twenty-two years but three—1888, 1889, and 1893—have shown an excess of imports, which altogether came, in round numbers, to \$50,000,000, while the excess of exports mounted forthwith to prodigious figures: in 1877 to \$151,000,000, in 1878 to \$257,000,000, in 1879 to \$264,000,000, and for the first eleven months of 1898, without reckoning silver, the balance touched the huge sum of \$538,000,000, or, taken altogether, nearly \$2,000,000 for every working day of the year.<sup>1</sup>

A change so vast and so sudden is, perhaps, without precedent. Meanwhile the needs of Great Britain appear to increase. Last year her trade deficit reached £157,000,000 (a sum larger than any one has ever computed as the return of her foreign investments and the earnings of her shipping), and

<sup>1</sup> The balance for 1898 was \$615,432,676.



the first ten months of this year (1898) exceed the corresponding months of last by upward of £17,000,000.<sup>1</sup> For the first time, the sale of our securities has not sufficed to balance the account, and the recent large inflow of gold may possibly foreshadow the exhaustion of the American floating debt abroad.

Be this as it may, no one can fail to perceive how the pressure of creditors has stimulated the export of manufactures from the United States. About the year 1887 our people were peremptorily called upon to pay their debts at a faster rate than their yearly earnings permitted. The decrease in the value of agricultural products made it impossible for these to be sold in sufficient quantities to fill the gap; enough gold to cover the deficit was not to be had; nothing remained but insolvency or forcing down the price of manufactures until we could undersell our creditors on their own ground. Impossible as such a feat once seemed, this has been done. Our iron and steel, in particular, are now the cheapest in the world, and, accordingly, are received even in London in

<sup>1</sup> The adverse balance for 1898 was £176,594,207.

payment of balances. India has been subjected to the same suction, and the growth of the Indian exports is almost as remarkable as the growth of the exports of the United States.

How long English accumulations will last is immaterial, since, in one form or another, they will doubtless suffice for the immediate future. The upshot of the whole matter, therefore, is that America has been irresistibly impelled to produce a large industrial surplus—a surplus, should no change occur, which will be larger in a few years than anything ever before known. Upon the existence of this surplus hinges the future, for the United States must provide sure and adequate outlets for her products, or be in danger of gluts more dangerous to her society than many panics such as 1873 and 1893.

Although falling prices may discourage new enterprises, they certainly stimulate production in factories already established, until they have to be closed by actual loss. A cotton mill, for example, which clears but a mill a yard must, roughly speaking, sell,

to earn its dividend, double the number of yards that would be necessary were its profit two mills. Accordingly, large sales and small returns are accepted as an axiom of modern trade. A fall in prices, therefore, stimulates production, and production reacts on prices; the tendency being to dislocate the whole social system of any people where a surplus exists, unless a vent can be found abroad to sustain the market. The decline of the West India Islands offers a striking example of the operation of this process.

Even before the Franco-German War, Prussia tried to foster the export of beet sugar by drawbacks which amounted to a bounty; but the effect on commerce only became marked after the consolidation of the Empire, and serious about the year 1881. Between 1881 and 1896, however, unrefined cane sugar fell, in London, from 21.09 shillings to 10.85 shillings the hundredweight, and refined suffered in proportion. The supply, on the other hand, swelled enormously. The total production of raw sugar was 3,799,000 tons in 1882, and 7,278,000 tons at the outbreak of the Cuban insurrection in

1894. The chief outlet for the cane sugar of the British West Indies had always been England, and when the Germans flooded the English market, so grave a glut ensued that Lord Salisbury's government sent a commission to the islands to examine their condition. It is hardly an exaggeration to say that the report which followed is among the most interesting public documents of modern times.

The commissioners found that, as the price of sugar sank, the production grew until the outbreak in Cuba, when the cane fell off a million tons; yet this shrinkage of the cane only encouraged fresh exports of beet, and values continued to diminish until, in 1896, Germany doubled her bounties. The effect of this policy upon the West Indies was disastrous. From prosperity the islands sank into misery.

The report states that, in view of all the circumstances attending the production of sugar, "the West Indies is threatened with such a reduction" of the industry "in the immediate future as may not in some of the colonies differ very greatly from extinction,



and must seriously affect them all," with the exception of such as no longer plant the cane. "The consequences are likely to be of a very serious character. The immediate result would be a great want of employment for the labouring classes, and the rates of wages, which have already fallen, would in all probability be still further reduced. The public revenue would fall off, and the Governments of some of Your Majesty's possessions would be unable to meet the absolutely necessary public expenditure, including interest on debt."<sup>1</sup> The Chairman, Sir Henry Norman, went much further. The inhabitants of British Guiana and of the Barbados would "be without the means of purchasing imported articles of food, or of paying taxes." "The planters must be ruined: . . . the tradesmen, artisans, and labouring classes will suffer privation, and probably become discontented and restless, and the revenue will be so crippled as to render it impossible to carry on the Government, even on the most economical scale, in any condition at all approaching to efficiency."<sup>2</sup> Even in the

<sup>1</sup> Report of the West India Royal Commission, p. 7. <sup>2</sup> *Ibid.*, p. 73.

case of Jamaica, with other industries to fall back on, "there will be much distress, and (her) resources . . . will be severely taxed." When a man like General Norman could write thus of some of the best administered communities in the world, the condition of Cuba may be imagined.

In Cuba the crisis became acute in 1894, when sugar fell in London from fourteen to twelve shillings the hundredweight, followed the next year by a fall of two shillings more. The old system of planting collapsed, the relations of capital and labour were dislocated, the exactions of Spain made the life of the agriculturists impossible, and the revolt, which had long been expected, began. The revolt involved the United States with Spain, and thus the inroads of Germany on the London sugar market precipitated the recent war.

If, however, the stoppage of the outlet of the export trade of so petty a portion of the earth's surface as the West Indies produced the catastrophes of the last four years, the future course of the United States, with its vast and growing surplus, becomes the most

momentous question of the age. No theory has ever proved more fallacious than the dogma that the cheapest goods command the world's market. The whole protective system of modern times demonstrates the contrary, for this system is principally designed to control international commerce. No country has gone further in this direction than America, and, doubtless, exclusion has proved effective as long as home consumption has exceeded home production. From the moment, however, that production exceeds consumption all conditions are changed. Then the surplus must seek a vent abroad, and there are clear indications that a great coalition is coming into being whose aim is to exclude the United States from those countries which should be her natural outlet.

From the dawn of time, commerce has flowed from east to west in the track of the migrations of the races. The last of these great migrations began at the close of the Middle Ages, when Europeans succeeded in crossing the ocean which had heretofore stopped them. Of the four chief nations bordering the Atlantic, the Spanish, French,

Dutch, and English, the advantage at first lay with the Spanish. Spain, however, lacked energy; her fate was sealed in the maritime wars which culminated with the Armada, since when she has served as a prey to her rivals. The French proved more determined. For three generations they fought stubbornly, though fruitlessly. They lost Canada on the Heights of Abraham, their navy at the Nile and Trafalgar, and from 1805 transit by sea to them was closed. In that age water offered the only ready path toward expansion; but the French persevered even when driven from the ocean. Turning suddenly to the eastward, they marched toward Asia. They reached Moscow. There they halted, and from that day their decline began. They were forced slowly back within their own borders, and since Waterloo the Anglo-Saxons have taken what pleased them of the vacant portions of the world.

For nearly half a century Continental Europe, shut in between the sea and the impassable wastes of Asia, lay stifling, until at length the railroad made communication by land relatively practicable. Then prodigious changes



set in. As the railroad system approached maturity Paris ceased to be the chief seat of Continental energy, and the convulsion of 1870 marked the passage of the Rhine by the focus of industry and finance. The war indemnity exacted by Germany of France transported beyond the Rhine, almost in a mass, 1000 millions of dollars (5000 millions of francs). This alone was almost enough to establish in Germany a financial preponderance, and other causes operated to the same end. The march eastward cannot be mistaken. Perhaps pig-iron is as good as any gage of industrial activity, and in the production of pig-iron France has not held her own.

Between 1880 and 1896 the French output of pig advanced from 1,725,290 tons to 2,333,702, or at a rate slightly above 2 per cent a year. The German, on the other hand, swelled from 2,729,038 tons to 6,360,982, an annual increment of  $8\frac{1}{3}$  per cent, while the Russian rose from 740,000 tons in 1889 to 1,747,000 in 1897, an average of 17 per cent.

A like phenomenon has appeared in transportation. In 1870 Cologne was doubtless the chief railway base for Northern Europe

east of the Rhine; now Breslau is its rival; and the railway system which then ended at Nizhni-Novgorod approaches Peking, and is projected as far as Hankow.

A displacement of energy has occurred proportionate to this movement. France alone is estimated to have lent Russia upwards of \$400,000,000 for the Siberian railroad and other enterprises within the last ten years.<sup>1</sup> All that Germany can spare of money, ability, and enterprise is swept into the current; and thus Northern Europe and Asia, from the Bay of Biscay to the Yellow Sea, is solidifying into an economic mass whose heart lies at Berlin.

The capacity of this mass for absorbing adjacent populations is, seemingly, limitless. A few years ago Manchuria was pure Chinese; now it is Russian; Peking is following Manchuria, and with Peking goes Shansi, with the richest coal and iron deposits of the world. Already the vast monster, stretching its tentacles far southward, is grasping Hankow, the Chicago of the Yangtse valley.

Whether it be upon the Rhine or the Amur, the policy of this Eastern civilization is the same. It is the old policy of Napo-

<sup>1</sup> Refers only to State undertakings.

leon—the policy of exclusion. No better example could be found than the aggressions of Germany, who, since the consolidation of 1870, has deliberately ruined the West Indies by forcing her bounty-fed sugar on foreigners, while seeking by every device to exclude foreign products from her markets. Had the West Indies themselves, or Great Britain, their protector, been able to coerce Germany into abandoning her abnormal exports, the islands of the Gulf of Mexico would be as rich and happy as of yore. The same danger, on a vaster scale, threatens every exporting nation which allows its outlets to be closed, and a little consideration will suffice to show that, in the case of the United States, this danger is both real and near.

Speaking broadly, a century ago, the whole earth, outside of Europe and portions of Asia, lay open to colonization or conquest. In 1757 Clive won the battle of Plassey, and in 1760 the “industrial revolution” began in England. From 1760 to 1870 an expansion took place without a parallel in human experience, and after the defeat of France the Anglo-Saxons were substantially unopposed. This

movement reached its limit between 1850 and 1870, with the opening up of California and Australia; but during the whole period all the originality and energy of mankind failed to meet the demand caused by the creation of the gigantic system of manufactures, of mining, and of credit which then came into being. Consumption outran production, men seriously believed that a general glut was impossible, the margin of profit was broad, and waste counted for less, in the success or failure of enterprises, than activity and daring.

By 1870 the most tempting regions of the earth had been occupied, for the Anglo-Saxons had reached the Pacific. The rate of expansion accordingly began to decline, and as it declined masses grew denser, competition sharpened, and prices fell. At length, as the century draws to a close, it is recognized that the survival of individuals, corporations, and governments is determined by an economic struggle which tests their administrative efficiency more severely than private war ever tested courage. The last step of the advance was taken in the war with Spain.



Then the Americans crossed the Pacific, and the two great branches of the Anglo-Saxon race met on the coast of China, having girdled the earth.

In the favoured line, running from east to west, all the choicest territory has been occupied, besides most of what is accessible in the southern hemisphere. Eastern Asia now appears, without much doubt, to be the only district likely soon to be able to absorb any great increase of manufactures, and accordingly Eastern Asia is the prize for which all the energetic nations are grasping. If the Continental coalition wins, that coveted region will be closed to its rivals.

Should it be so closed, the pressure caused by the stoppage of the current which has so long run westward might shake American society to its foundation, and would probably make the scale of life to which our people are habituated impossible.

From its infancy civilization has advanced by two processes — the individual and the collective. In a very general way the Eastern races have tended toward collective systems, and the Western toward individual. The

effect of these instincts is plainly visible in architecture. For example, there has never been a magnificent palace or tomb in England; while the remains of the royal dwellings of Assyria and Susiana are stupendous, the dwelling of a Byzantine emperor resembled a city in itself, and the Egyptian pyramids continue wonders of the world.

The Anglo-Saxon has been the most individual of races, and it reached high fortune under conditions which fostered individuality to a supreme degree. Such conditions prevailed when the world was vacant and steam began to make rapid movement possible; but all must perceive that, as masses solidify, the qualities of the pioneer will cease to be those that command success.

As expansion ceases, as competition quickens, and as prices fall, men consolidate in larger and denser masses, because, other things being equal, the administration of the largest mass is the cheapest. This tendency is already marked in every walk of life, particularly in those huge agglomerations called trusts. Hitherto the effect of the trust has not been to raise prices to the consumer, nor

has it been to stimulate production. On the contrary, the trust has been organized to adjust the supply to the demand. Trusts must be profitable, therefore, because they economize wages and rent; and it is this economy of labour and elimination of waste which is the characteristic of modern civilization. But the concentration whose result is an elimination of waste is nothing but a movement toward collectivism, and the relative rise of the peoples who excel in the collective methods has been accordingly contemporaneous with the advent of the great trusts in the West.

Perhaps the best example of the success of the collective method is the centralization of Germany and the organization of Russia. From its very birth, the Prussian Kingdom has been subjected to a pressure seldom equalled. Under this pressure the people consolidated in a singularly compact mass, developing a corporate administration powerful enough to succeed very generally in subordinating individual to general interests. It is to this quality that Prussia has owed her comparative gain on England.

All agree that the industrial success of

Germany is largely due to the establishment of cheap and uniform rates of transportation, through state ownership of railways; while the industrial progress of Russia would have been impossible had not the government been both railroad and mine owner, besides being banker and money-lender, and ready at any moment to promote industries, such as iron works, whenever individuals could not act advantageously.

England, on the other hand, has held her own neither as a manufacturer, as an exporter, nor as an agriculturalist. Whereas in 1873 her exports amounted to £255,000,000, in 1897 they reached only £234,350,000. The loss on her agriculture has been estimated at \$250,000,000 yearly. It is probably larger. The British adverse trade balance is chiefly due to the importations of food which might be raised at home. That adverse balance has grown from £60,282,000 in 1873 to £157,055,000 in 1897.

If the English farmers are asked why their farms do not pay; why grazing, for which their pastures are peculiarly adapted, proves unprofitable, they have but one answer. They



explain that high and unequal railroad rates make it possible to transport produce more cheaply from Chicago to London than from Somersetshire or Yorkshire to London. The same complaint is made by the iron trade. The inference is that, had England been able to act as energetically in her corporate capacity as Germany, had she subdued the opposition of individual interests and secured the German rates of transportation, her position as a competitor would be changed.

Applying the same measure to the United States, the same weak spot appears. The national characteristic is waste, and each year, as the margin of profit narrows, waste grows more dangerous. Under an exact administration one corporation will prosper, while its neighbour is ruined by slight leakage; and what holds true of the private enterprise holds equally true of those greatest of human ventures called governments.

Our national corporation was created to meet the wants of a scanty agricultural population at a time when movement was slow. It has now to deal with masses surpassing, probably, in bulk, any in the world. In con-

sequence it operates slowly and imperfectly, or fails to operate at all. The Pennsylvania Railroad might as reasonably attempt to handle the traffic of 1898 with the staff of 1860 as the United States to deal with its affairs under Mr. McKinley with the appliances which barely sufficed for Jefferson or Jackson. We have just seen our army put in field without a general staff, much after the method of 1812, and we have witnessed the consequences. We know what would have happened had we been opposed by a vigorous enemy. We wonder daily at our treasury struggling with enormous banking transactions, without banking facilities; while our foreign service is so helpless, in its most important function of obtaining secret information, that the government relied on daily papers for news of the Spanish fleet.

In short, in America there is no administration in the modern sense of the word. Every progressive nation is superior to us in organization, since every such nation has been reorganized since we began. That America has prospered under these conditions is due altogether to the liberal margin of

profit obtainable in the United States, which has made extreme activity and individuality counterbalance waste. This margin of profit, due to expansion caused by the acquisition of Louisiana and California, carried the country buoyantly until, under the pressure of English realization, it was stimulated into producing an industrial surplus. The time has now come when that surplus must be sold abroad, or a glut must be risked like that which has overtaken the West Indies. To-day the nation has to elect whether to continue to expand, cost what it may, or to resign itself to the approach of a relatively stationary period, when competition will force it to abandon the individual for the collective mode of life. Here the experience of the French is instructive. When defeated in their attempts at expansion, they betook themselves to economizing as few Western peoples have ever done. They relieved competition in the wage market by reducing the birth-rate until the population ceased to multiply; while in their families they habitually practised a frugality unknown to Anglo-Saxons. They succeeded in preserving their

physical well-being, but at the cost of their national vitality. As a nation they have grown old, and are devoured by the gangrene which attacks every stagnant society and from which no patient recovers.

Parsimony is alien to our habits, and would hardly become a national trait under pressure less severe than that under which Germany slowly consolidated after Jena, or under which France began to sink after Moscow. But if we are not prepared to reduce our scale of life to the German or perhaps the Russian standard, if we are not prepared to accept the collective methods of administration with all that they imply, we must be prepared to fight our adversary, and we must arm in earnest.

Whether we like it or not, we are forced to compete for the seat of international exchanges, or, in other words, for the seat of empire. The prize is the most dazzling for which any people can contend, but it has usually been won only by the destruction of the chief competitor of the victor. Rome rose on the ruins of Carthage, and England on the collapse of Spain and France.



For upward of a thousand years the tendency of the economic centre of the world has been to move westward, and the Spanish War has only been the shock caused by its passing the Atlantic. Probably, within two generations, the United States will have faced about, and its great interests will cover the Pacific, which it will hold like an inland sea. The natural focus of, such a Pacific system would be Manila. Lying where all the paths of trade converge, from north and south, east and west, it is the military and commercial key to Eastern Asia. Entrenched there, and backing on Europe, with force enough to prevent our competitors from closing the Chinese mainland against us by discrimination, there is no reason why the United States should not become a greater seat of wealth and power than ever was England, Rome, or Constantinople.

But to maintain such an empire presupposes an organization perfect in proportion to the weight it must support and the friction it must endure; and it is the perfecting of this organization, both military and civil, which must be the task of the next fifty

years. For there is no possibility of self-deception. Our adversary is deadly and determined. Such are his jealousy of our power and his fear of our expansion, that to cripple us he would have gladly joined with Spain. But for the victory of Manila and the attitude of England, his fleets would last spring have been off our coasts. If we yield before him, he will stifle us.

If the coalition of France, Germany, and Russia succeeds in occupying and organizing the interior of China, if this coalition can control its trade and discriminate against our exports, it will have good prospects of throwing back a considerable surplus on our hands, for us to digest as best we can. In that event, America's possible destiny might be to approach the semi-stationary period of France, meanwhile entering into a competition with our rivals in regard to the cost of domestic life, of industrial production, and of public administration. In such a competition success can only be won by surpassing the enemy in his own method, or in that concentration which reduces waste to a minimum. Such a concentration might, conceivably, be

effected by the growth and amalgamation of great trusts until they absorbed the government, or it might be brought about by the central corporation, called the government, absorbing the trusts. In either event, the result would be approximately the same. The Eastern and Western continents would be competing for the most perfect system of state socialism.

## ENGLAND'S DECADENCE IN THE WEST INDIES

THAT within ten years the world has entered upon a new stage of development seems self-evident; and it appears equally self-evident that the spot where the old system has broken down lies in the West Indies. But when another step is taken, and the causes are sought which have led to the decay of the archipelago of the Caribbean, we enter upon some of the most absorbing problems of modern civilization.

Before attempting to examine details, it may be simpler to look for a moment at first principles. We may assume, as an axiom, that men, like other animals, must be capable of obtaining their subsistence under the conditions to which they are born; for, if incapable, they must starve. We must also assume that the individual, to prosper, must have the flexibility to adapt himself to the changes going on about him; for, should he be rigid,



he will be superseded by some one more pliable. Hence, human customs, laws, and empires probably owe their rise and fall to the exigencies of that competition for food which, from the beginning, has sifted those destined to survive from those doomed to perish. Consequently, society can never reach a permanent equilibrium: nothing can be constant but change.

The deduction from these premises is, that the decline of the West Indies must be due to an inability on the part of the population to keep pace with competition. The causes of this failure may be complex: but in the end, the failure itself must represent a relative loss of energy; and it is with this loss of energy that we now have to deal.

If it be true that the English who, as well as the Spanish, inhabit the Western tropics, are ceasing to be able to hold their own in the struggle for life with other races, the effects cannot fail to be manifold. At the outset, for example, one of two results must apparently follow: either this whole region must be absorbed in some more elastic economic system, or it must sink to the level of Haiti.

At present the drift is toward the United States. But for the United States to assimilate and administer this mass successfully, implies a simplification and centralization of her own administrative system; and no forecast as to whither a further consolidation of the Republic would lead is now possible. Nevertheless, that such a consolidation is now actually going on about us is highly probable; wherefore, the study of the sequence of events which has determined the ruin of some of the fairest gardens of the earth should interest Americans, since their own destiny may be inexorably linked with that of a dependency which they may be constrained to absorb.

Down to the battle of Waterloo, perhaps no landed property had ever proved more profitable than the sugar estates of the Caribbean; and before the advent of the East Indian nabob the West Indian planter filled, in the popular fancy, the figure of the ideal millionaire. Judged by modern standards, his profits might indeed be called fabulous. Tooke's tables of prices begin with 1782; but, as the years from 1783 to 1789 were peaceful, the interval probably represents fairly enough

the ordinary trade of the last century. Between 1783 and 1789 Muscovado sugar ranged somewhere about £35 the ton; during the next ten years the war forced it to about £60; and as late as 1815 it brought £63. These values are tolerably reliable; but it is harder to fix the cost of production. In those lavish days management was loose, and nobody knew precisely what he spent; but, judging by the expense involved in the old processes, which are yet used on many of the islands, there seems no reason to suppose that Muscovado cost the competent planter, as a rule, much more than £20 a ton to produce. On the other hand, he may have worked more cheaply, since he used slave labor. At this time, also, and down to about 1850, colonial sugar paid less than half the duty levied on foreign products under the British tariff, and therefore held a practical monopoly of the home market.

Reckoning rum and molasses as part of the sugar crop, a good estate, well handled, might yield nearly the equivalent of three tons to the acre; therefore, the net profit in ordinary seasons approximated £45 the acre, and during war, £120. In other words, one of the

small Barbados plantations of two hundred acres of cane represented an income of \$45,000 as an average, and \$120,000 as a maximum.

Modern expansion began with the English industrial revolution, dating from about 1760. To both the east and the west the world lay open; and competition could gain small purchase on prices in a society growing so vigorously that it could absorb far more than it could produce. That era reached its climax with Waterloo; and during that era the West Indies enjoyed their highest fortune. As Dr. Morris has rather sadly observed in his recent report<sup>1</sup> to the British Government:—

“Jamaica had nearly attained the meridian of its prosperity in 1787, just one hundred and ten years ago. It would be useful to contrast the quantity and value of its exports [then] with the exports of to-day:—

PRODUCT	1787	1896
Sugar . . . . .	42,028 tons	22,995 tons
Rum . . . . .	2,543,025 gallons	1,881,100 gallons
Molasses . . . . .	6,416 gallons	—
(Other items are omitted)		
Total value . . . .	£2,283,728	£1,775,016”

<sup>1</sup> Report of the West India Royal Commission, Appendix A, p. 139.



In 1805, nevertheless, when the war had raised prices 50 per cent, Jamaican trade dwarfed even this showing. In that year she actually sold 150,352 hogsheads of sugar, and more than 5,000,000 gallons of rum; the price of a ton of Muscovado sugar being £53, while 4s. 9d. was paid for a gallon of rum. In 1897 raw sugar brought £9 13s. the ton, and rum 1s. 4d. the gallon. Indeed, from 1790 onward for a quarter of a century, the gains of England on all sides were prodigious; for she kept Continental Europe under blockade, and exacted what prices she pleased for imports. Many tropical products, for example, such as spices and sugar, which had become almost necessities, could only reach France by water; and, as England held the sea, she imposed her own terms on all the territory occupied by the French. During those years the tide of commercial exchanges reached its flood in favour of the United Kingdom; and then she amassed much of those unprecedented accumulations on whose income she has of late relied to balance the growing trade-deficit caused by her purchases of foreign food. Yet, even in the moment of

victory, and, perhaps, because of the completeness of her triumph, Great Britain laid the seeds of a competition which has since gnawed her vitals,—a competition which has, moreover, ruined the West Indies, formerly the flower of her empire.

Since the dawn of history two forms of centralization, evolved through different processes of transportation, have contended for supremacy. The one, which may be called the Continental system, based upon the highway, found its amplest expression in Rome; the other, which may be described as the Maritime, is the offspring of the sea, and has served as the vehicle for the consolidation of that economic organism which has permeated the modern world, and whose heart has been London. Before the discovery of the compass and the quadrant made the ocean navigable, the Continental system usually predominated. From the Crusades to the collapse of France in 1870, the Maritime had the advantage. Recently, the railroad, by bringing the cost of land- and water-carriage nearer an equality, has tended to inflame the conflict, without, as yet, deciding the victory.

The Continental system became incarnate in Napoleon. Generations in advance of his age, with the eye of genius, he saw that between movement by land and movement by water there existed a rivalry which could know no other arbiter than battle; and he fought to the end. Feeling the coil of the blockade slowly strangling him, he strove to make his country self-sufficing, while striking at the vitals of his enemy. Rightly regarding the distant dependencies as the members which fed the heart at London, he contemplated a march upon India by land, at the same time that he attacked the sugar islands by a policy more insidious and deadly than open war.

From an early period Bonaparte speculated on the possibility of making sugar from the beet; and in 1808 he wrote to scientific men pressing them to investigate the subject. In 1811 he had become certain of success; and early in that year he outlined, for his Minister of the Interior, a policy of state encouragement of the domestic sugar industry which, in substance, has been adopted by the chief Continental nations, and which survives to this day. In one paragraph the Emperor declared,

"that, by thus employing a small acreage, France might succeed in escaping the tribute she paid to foreigners."

Yet even Bonaparte failed to grasp the full bearings of the system of retaliation which he invented, and which was destined, before the century closed, to play a chief part in the recentralization of the world. He fell almost immediately; and the progress of competition is slow. In 1828 the French sugar production reached only 2685 tons; in 1836, 49,000; in 1847, 64,000; nor was it until after 1855, when the Continent had begun to feel the acceleration of movement caused by the railroad, and the English had opened their markets to the bounty-fed product by establishing uniform duties on foreign and colonial sugar, that the manufacture attained 100,000 tons. Then, however, the advance became rapid; and in 1862 England imported 40,000 tons of her rival's produce, against 193,000 drawn from the colonies of the Caribbean Sea. In 1871, when Germany took the place theretofore held by France, the plantations already lagged behind: in that year England imported 232,000 tons of Continental beet, as against 213,000 of West Indian cane.



This gradual occupation of the French market, and this invasion of the English, caused a regular fall in the price of sugar and its derivatives, in spite of the gold discoveries of 1849, which raised all other values. In discussing the interval between 1850 and 1862, Jevons, in his "Investigations in Currency and Finance," p. 55, has remarked:—

"Sugar and spirits stand out as the only two obstinate and real exceptions to a general rise of prices; but again, as Jamaica rum, quoted for spirits, is made from sugar, they might be said to form only a single exception."

Although in 1870 the vigour of France had long been on the ebb, the French attack proved serious. In 1858 Muscovado sold for 27*s.* 10*d.* the hundredweight; in 1867, when German consolidation began, it had dropped to 22*s.* 4*d.*; and in 1868 the long Cuban convulsion opened which has lasted till to-day.

The migration eastward of the centre of the Continental system, whose focus, under Napoleon, had been at Paris, occasioned the rise of Germany. But though the capital city might change, the instinct of the centralized mass remained constant; and the Emperor of Germany, in assuming the position of the Em-

peror of France, assumed his methods and his attitude toward England. The chief difference between the two civilizations lay in a difference of energy.

The figures which tell of the impact of this new Power upon its maritime rival may well be called dramatic. Within less than a generation from the coronation at Versailles of the German successor of Napoleon, English sugar had been substantially driven from the English market, the West Indies had been ruined, Cuba had been ravaged with fire and sword, Spain had been crushed by the United States, the United States had been thrown upon the coast of Asia, and the world had been sent plunging forward toward a new equilibrium. Meanwhile, sugar had been forced down to £9 a ton.

In 1873 the total export of beet sugar from France and Germany stood thus: France, 221,000 tons; Germany, 24,000 tons. In 1896 the imports into England alone stood thus: From France, 143,000 tons; from Germany, 755,000 tons. In 1871 England imported 455,962 tons of cane and 232,850 of beet; in 1896, 382,000 tons of cane and 1,144,000 of beet.

Witnesses testified before a commission in London that, during recent years, the refining trade had undergone a "progressive process of extinction," and that whereas it then produced wealth to the extent of £2,000,000 a year, it would, if healthy, yield £6,000,000.<sup>1</sup>

Taken in all its ramifications, this destruction of the sugar interest may, probably, be reckoned the heaviest financial blow that a competitor has ever dealt Great Britain, unless the injury to her domestic agriculture by the fall in the price of wheat be esteemed a loss through competition. Roughly, it may be computed somewhat as follows:—

Assuming that, toward 1880, the British West Indies exported, in round numbers, 300,000 tons of sugar, 10,000,000 gallons of molasses, and 5,000,000 gallons of rum, and calculating the profit on the basis of 1789, we reach a total of about £5,000,000 for sugar, and of, perhaps, £1,500,000 more for molasses and rum. This £6,500,000 has been obliterated. To this must be added the shrinkage of purchasing power for new ma-

<sup>1</sup> Report of West India Royal Commission, Appendix C, vol. i., part 1, pp. 153-4.

chinery, clothes, and food, which are reckoned under the head of "Cost of Production," the diminution of freights, the decay of the home refining trade, and the blight of the whole archipelago, more especially the complete arrest of the growth of wonderful islands like Dominica and St. Lucia, now almost wildernesses, and of the vast province of Guiana, capable of being turned into one of the most fruitful portions of the earth—"At once the largest and most valuable of the British West Indian colonies, [whose] capabilities of development are practically unlimited."<sup>1</sup> What such a check has meant to Great Britain is beyond human computation. In the words of a pamphlet of the last century:—

"Our sugar colonies are of the utmost consequence and importance to Great Britain. They have been equal to the mines of the Spanish West Indies, and have contributed in a particular manner to the trade, navigation, and wealth of this kingdom."<sup>2</sup>

Without dispute, whatever might have been done, sugar must have fallen in value; but

<sup>1</sup> Report of Dr. Morris, Appendix A, p. 83.

<sup>2</sup> "The Importance of the Sugar Colonies to Great Britain," 1731, pp. 35-6.



these questions are always questions of degree. Had the mother-country protected the interests of her colonies so far as to keep them on an equal footing with their competitors, that is to say, had she counteracted by her tariff the advantage given by Germany to her exporters by subsidies, the decline in price might not have exceeded economies made possible by improved machinery and concentration of property. According to the witnesses before the West India Royal Commission, the cost of manufacturing a ton of sugar has been reduced, within twenty years, from about £18 to £8 or £10 a ton.

Germany has not ruined the West Indies by legitimate competition, but by an adherence to Napoleon's policy of attack, which was a military measure. For nearly three generations the chief Continental nations have, with hostile intent, artificially stimulated the export of sugar, and have increased the stimulant as prices have fallen, in order to counteract the loss to the manufacturer. In August, 1896, Germany and Austria doubled their bounties: in the following spring France advanced hers. Admitting, therefore, the

success of Napoleon's war policy, one of the most interesting problems of our time is the cause which has rendered England vulnerable to this onslaught; for the course of civilization promises to hinge on the ability of Great Britain to maintain the economic ascendancy she won at Trafalgar and Waterloo.

If space permitted, nothing would be easier than to demonstrate that, although in 1815 London was the heart of the Maritime system, the United Kingdom did not achieve an undisputed economic supremacy until about 1835. Moreover, the supremacy was short, lasting only a generation, and ending with the rise of Germany in 1870. There is no mistaking this period; for it bears in its thought, its literature, its art, and its public policy, the impress of the force which created it. It was the age of the Manchester School, of Cobden, of Bright, and of Mill. But Cobden, Bright, and Manchester doctrines were phenomena which attended the advent of a new ruling class. A social revolution, which had been in progress for nearly a century, was consummated between 1840 and 1850;

England passed from a rural into an urban community; and immediately a new era opened. The opening of this era is marked with equal clearness upon the pages of the Census and of the Statute-Book. In 1841 the urban population of England and Wales numbered 7,679,737 souls; the rural, 8,229,395. In 1851 the urban population had increased to 9,213,942; the rural, only to 8,713,667. In 1846 Peel's Administration repealed the Corn Laws: in 1848 Lord John Russell's Administration equalized the sugar duties by putting colonial and foreign sugar on the same footing.

The power of the ancient rural population fell in 1846, with the repeal of the Corn Laws; and this event marked the rise of a new social stratum to control, who thenceforward used the machinery of government, as rulers always use it, for their own advantage. Inertia is, however, the bane of every aristocracy, be it an aristocracy of the rich or of the poor. By nature, man is lazy, working only under compulsion; and when he is strong he will always live, as far as he can, upon the labour or the property of the weak.

The Romans fed themselves by taxing the provinces after their conquest, and degenerated; the Spaniards decayed when they could empty the mines of Mexico and Peru at no further sacrifice of energy than exterminating the natives; and slaveholders are notoriously indolent. So it has been, in a greater or less degree, with the British industrial class. The industrial population consists of two sections, the wage-earners and the capitalists, — sections hostile to each other, but apt to be united against those whom they can coerce. Certainly, they have always been at one in demanding cheap food, — the capitalists, that wages might not rise; the hands, that they might live at ease. To attain their end they have consistently sacrificed the farmers, as the Romans sacrificed the provincials; and the West Indian planters have but shared in the general agricultural ruin.

The human mind is so constituted that whatever benefits an individual seems to that individual to benefit the race; consequently, institutions like slavery and polygamy, and trades like usury, piracy, and slaving, have



never lacked defenders on moral grounds. Analogously, the English have justified the practical confiscation of the sugar estates, on the ground that, though the planters might be ruined, the nation at large enjoyed cheap sugar, thereby reaping a preponderating economic advantage. Nevertheless, eliminating abstract justice, as never having decided public policy, it is not clear that the English, as a community, have reaped any economic advantage from cheap sugar; while, on the other hand, they have certainly lost by the destruction of the colonies. A few figures will make this proposition plain.

In 1869, before the collapse of France, and when the sugar islands were still relatively prosperous, Englishmen consumed, on the average, 42 pounds of sugar *per capita*, annually. That this is enough for either health or reasonable enjoyment is proved by the fact that few peoples use so much to-day. For example, in 1896 Italy consumed 7.19 lbs. *per capita*; Spain, 12.67 lbs.; Austria-Hungary, 16.84 lbs.; Belgium, 22.08 lbs.; Germany, 27.14 lbs.; and France, 28.24 lbs.

In the United States, where the use of

sweets is said to be injuriously excessive, only 35 lbs. *per capita* were consumed in 1869, and 60.3 lbs. in 1898. In England during 1895-97 every human being, including babies, invalids, and paupers, disposed, on the average, of nearly 4 oz. of sugar a day, or 84.77 lbs. a year. In other words, each citizen spent for sugar in those years almost exactly what he spent in 1869, the difference being that he doubled an already ample allowance.

Furthermore, neither from the economic nor the sanitary standpoint do the uses to which this extra sugar ration is put seem satisfactory. One of the chief of these appears to be to encourage drinking. Though the exports of beer from England show a tendency to decline, brewing grows apace. Twenty-seven gallons a year *per capita*, counting women and children, is surely enough. In America, though the amount of spirits drunk is the same,  $15\frac{1}{2}$  gallons of beer suffice; and American beer is light. Twenty-seven and one-quarter gallons was the measure for England in 1883; yet in 1897 it had swelled to  $31\frac{1}{2}$  gallons, an expansion at the rate of about 1 per cent a year. But, fast as brew-

ing grows, the weight of sugar used in the beer grows faster. In 1883 the public put up with something less than  $4\frac{3}{4}$  lbs. of sugar to the barrel: in 1897 it demanded between 8 and 9 lbs.

The same tendency toward extravagance appears throughout the list of imported articles of food. The ordinary citizen buys 63 per cent more foreign bacon and ham, 58 per cent more butter, 162 per cent more beef, and 1 lb. more tea annually than he did fourteen years ago. Yet, in 1883, Britons had not the reputation of being underfed.

This spread of self-indulgence would be without significance were it accompanied by a corresponding accretion of energy; but the industrial class of England has never learned that a larger cost of living must find its compensation in additional economy in production. On the one hand, trade unions have enforced shorter hours and withstood labour-saving machines; on the other, capitalists have failed to consolidate entire trades under a single management, and thereby reduce salaries and rent to a minimum.

Perhaps no better gauge can exist of the

energy of a great industrial and exporting nation—especially a nation like England, which has practically attained its full internal development—than the amount of its *per capita* exports taken through a series of years. The subjoined table shows that, while Germany has remained stationary, and America has bounded forward, England, during the last generation, has retrograded.

TABLE SHOWING PROPORTION *PER CAPITA* OF THE EXPORTS OF MERCHANDISE OF THE UNITED KINGDOM, THE UNITED STATES, AND GERMANY DURING THE PERIOD 1869-1897

YEAR	UNITED KINGDOM			UNITED STATES	GERMANY		
	£	s.	d.	Dollars	£	s.	d.
1869 . . .	6	2	7	7.29	Data for these 8 years are incomplete.		
1870 . . .	6	7	11	9.77			
1871 . . .	7	1	7	10.83			
1872 . . .	8	1	0	10.55			
1873 . . .	7	18	10	12.12			
1874 . . .	7	7	9	13.31			
1875 . . .	6	16	6	11.36			
1876 . . .	6	1	3	11.64			
1877 . . .	5	18	11	12.72	3	4	10
1878 . . .	5	14	1	14.30	3	7	9
1879 . . .	5	12	2	14.29	3	4	11
1880 . . .	6	9	5	16.43	3	4	10
1881 . . .	6	14	0	17.23	3	5	9
1882 . . .	6	16	10	13.97	3	10	0
1883 . . .	6	14	8	14.98	3	12	3
1884 . . .	6	10	6	13.20	3	10	0



TABLE (*Continued*)

YEAR	UNITED KINGDOM			UNITED STATES	GERMANY		
	£	s.	d.	Dollars	£	s.	d.
1885 . . .	5	18	4	12.94	3	1	5
1886 . . .	5	17	2	11.60	3	3	8
1887 . . .	6	1	3	11.98	3	6	8
1888 . . .	6	7	2	11.40	3	8	5
1889 . . .	6	13	11	11.92	3	3	3
1890 . . .	7	0	7	13.50	3	7	4
1891 . . .	6	10	10	13.63	3	4	2
1892 . . .	5	19	3	15.53	2	19	9
1893 . . .	5	13	7	12.44	3	2	7
1894 . . .	5	11	5	12.73	2	19	6
1895 . . .	5	15	8	11.37	3	3	6
1896 . . .	6	1	8	12.11	3	7	5
1897 . . .	5	17	7	14.17	—	—	—

As often happens in war, Napoleon, when striking at his enemy, wounded his friend. For centuries Spain drew most of her resources from her colonies; and, as these dwindled in number, the pressure increased on those which remained. When the insurrection occurred in 1868, Cuba produced nearly one-half of the cane of the world; but for several years previously prices had ranged so low that production on the old basis ceased to be profitable. Accordingly the concentration of property had already begun, and "numerous American and

English fortune-hunters, who had purchased large estates from impoverished Cubans, . . . had started sugar and tobacco growing on an improved system in various parts of the island."<sup>1</sup>

The planters thus evicted gradually came to form a class of broken men ripe for brigandage; and though, at the outbreak of the insurrection, certain of the leaders were persons of property and position who revolted against the maladministration of Spain, the discontent was always fomented by what amounted to a slow confiscation of the land.

The truth of these inferences may be demonstrated by the character of the war, which was always rural. The rebel armies, if such these marauders can be called, were composed partly of adventurers, who acted as officers, and partly of negroes whose employment had gone with the devastation of the sugar estates. The towns never participated in the movement; and the vagrant bands who infested the hills and ravaged the plantations consisted "of a horde of civilized and uncivilized adventurers, recruited from all parts of the island, and indeed

<sup>1</sup> "Cuba Past and Present," Davey, p. 80.

from the four quarters of the globe; . . . the riffraff turned out of the neighbouring islands, Americans, Mexicans, Germans, Italians, and even a few Englishmen."<sup>1</sup>

This convulsion lasted through nearly a generation; flickering out when business mended, and flaring up when it failed, until the final catastrophe came with the panic of 1893. Between 1893 and 1895 sugar sank about 30 per cent, and the death-agony began. The American public knows the rest.

But if the Spanish civilization in the West Indies has fallen amid blood and fire, the English shows every sign of decrepitude. Great Britain is a strong Power, and her police is irresistible; but the decay of her islands is admitted. Had England retained the energy of 1805, when her conferences with her enemies were conducted at spots like Trafalgar, she might not perhaps have bartered her heritage for a sugar-plum; but her people in 1870 saw life with different eyes from those of the men who fought the Napoleonic wars. Instead of being stimulated to ferocity by the Continental attack, the English took the bribe, and

<sup>1</sup> *Ibid.*, p. 102.

withdrew from the contest. Instead of accelerating their movement, they relaxed it.

The tendency of modern trade is toward consolidation, because the administration of the largest mass is the cheapest. This is preëminently true of sugar manufacture; for, above all forms of agriculture, sugar lends itself to centralization. The chief expense of the plantation is the mill to crush the cane; and the more cane that can be crushed by a single machine, the more economical is the process. Accordingly, the only limit to the size of the modern factory is the distance it pays to carry a bulky raw material; and this depends on the perfection of the transportation. Therefore, an energetic population, pressed by competition, would normally have concentrated property on a vast scale, and the Government would have addressed itself to providing universal cheap transportation,—presumably a state system, like that of Germany or Russia. The islands are well adapted to electric tramways running down the valleys to the ports, which could draw their electricity from central power-houses built on water-courses. At the ports the produce can be collected by coasters;



and such is substantially the method of the Boston Fruit Company in Jamaica, which has been crowned with brilliant success. These phenomena are conspicuously lacking among the British. The only railroad of Jamaica has been built at vast expense over the mountains where no traffic goes ; and it charges prohibitive rates because, being bankrupt, it lacks rolling-stock to do its business. Thus the farmers are forced to haul their crops along the roads, and are expected to compete with German bounty-fed beet, carried at a fixed minimum tariff on state lines. The British Government has even gone farther, and has discouraged quick transportation to America. Plant made a proposition to extend his service from Florida to Jamaica ; but the offer was declined. Lastly, Great Britain, while abandoning the colonists to the Germans, has used them to support an exceedingly costly system of government, whose chief object has been to provide a long pay-roll and pension-list. This system has broken down. It has proved only less disastrous than that of Spain.

On the other hand, the native population has shown little recuperative energy. Instead

of being consolidated, the estates have been abandoned when they ceased to pay, although throughout the islands well-handled and well-situated sugar lands have never yet proved unprofitable, and although both Government and people are aware that nothing can ever replace the sugar industry, both on account of its magnitude and of the employment it gives to labour.

Yet, when allowance has been made for West Indian inertia, the stubborn fact remains that the influx of fresh capital and fresh blood has been arrested by the fear of progressively increasing sugar bounties and correspondingly decreasing values. Men do not venture their fortunes in speculation when they know that the Power, which should protect them, has accepted a bribe to abandon them to an adversary bent on destroying the industry in which they are engaged.

The inference from these considerations is, that the British Empire in the Western tropics is disintegrating, and that it is disintegrating because a governing class has arisen in the Kingdom which, from greed, has compounded with its natural and hereditary enemy. The

advent of this class has wrought great changes in the past, and is full of meaning for the future. Already it has precipitated revolt in Cuba, defeat for Spain, expansion for America, and corresponding decline for England. Should the future resemble the past, and the conditions of competition remain unchanged, the Caribbean archipelago must, probably, either be absorbed by the economic system of the United States or lapse into barbarism. Now the current sets toward America; and the absorption of any considerable islands will probably lead to the assimilation of the rest; for the preference of the products of any portion of the archipelago by the United States would so depress the trade of the remainder as to render civilized life therein precarious. Should the foregoing deductions be correct, it is evident that the expansion of the United States is automatic and inevitable, and that, in expanding, she only obeys the impulsion of nature, like any other substance. If the Republic moves toward further concentration, it is because the world about it moves; and if it changes its institutions, it is because the conditions of modern competition demand it.

A century ago, when communication was costly and slow, the capital cities of the two competing economic systems might lie side by side on the Seine and on the Thames, and they might approach each other thus closely because the spheres of which they were the centres were relatively small. Since then, as movement has quickened, these spheres have enlarged until the Continental, having stretched eastward overland until it has reached Manchuria, now seeks to consolidate all Northern and Eastern China. Meanwhile, the Maritime, leaving the North American continent in its rear, is drawing to itself the islands of the Pacific, is fortifying the approaches thereto, and is preparing to ascend the Yangtse and the Ho-hang-ho.

But, in proportion as the bulk of the masses of which they were once the core has dilated, the position of London and Paris has become eccentric. Therefore the foci of energy of modern society tend to separate, the one drawing toward the confines of Russia, the other gravitating toward America; and, as they separate, competition adjusts itself to the new equilibrium. The burden of the struggle be-



tween the two systems is passing from the shoulders of Englishmen and Frenchmen, who have borne it in the past, to those of Americans and Germans, who must bear it in the future. Already, the heat generated by contact at the circumference of these rival masses presages possible war.

Furthermore, if America is destined to win in this battle for life, she must win because she is the fittest to survive under the conditions of the twentieth century. From the dawn of history, nature has always preferred those organisms which worked most economically at the time her choice was made. Men may be able to live most cheaply because they can conquer, confiscate, and enslave, like the Romans, or because they can toil longest on the least nutriment, like the Chinese; but, among Western races, who vary little in tenacity of life, those have proved the most economical who have attained the highest centralization combined with the greatest rapidity of movement. Hence, if Americans are to outstrip their opponents, they must do so by having a compacter and more flexible organization and shorter and cheaper communications. On

their side, Russia and Germany are exerting their whole strength. They hope to economize in their administration by reducing their armaments, just as we increase ours; and they are completing a railroad to Peking, by which they propose to centralize the greatest mass of cheap labour in the world, on the spot where mineral resources are richest.

Nothing under the sun is stationary: not to advance is to recede; and to recede before your competitor is ruin. Unless the Maritime system can absorb and consolidate mankind as energetically as the Continental, the relation which the two have borne to each other since Waterloo must be reversed.

The West Indies are gravitating toward the United States; therefore, the West Indies must be consolidated, and the lines of communication with them shortened and cheapened. Therefore, a canal to the Pacific must be built, and Central America must become an integral part of the economic mass, much as Egypt has become a part of England in order to guarantee her communications with India. Lastly, adequate outlets for the products of this huge centre of energy must be ensured;

for, should production be thrown back on our hands by the closing of Asiatic markets to us, or should our industries be crippled by attacks such as those which have ruined the West Indies, we shall suffer from having been the weaker, and our civilization will wither like the civilizations which have preceded it.

If expansion and concentration are necessary, because the administration of the largest mass is the least costly, then America must expand and concentrate until the limit of the possible is attained; for Governments are simply huge corporations in competition, in which the most economical, in proportion to its energy, survives, and in which the wasteful and the slow are undersold and eliminated.

# NATURAL SELECTION IN LITERATURE

AS ILLUSTRATING CERTAIN RECENT CHANGES  
IN THE CHARACTER OF THE POPULA-  
TION OF GREAT BRITAIN

NATURAL selection operates on men as on other animals, favouring those whose qualities afford them an advantage over their rivals. The qualities which give superiority may be physical or mental, but, on the whole, the physical seem the more permanent of the two classes, and hence the intellectual variation between successive generations of the same race offers the most interesting of all fields for historical study. For example, the Middle Ages were essentially an imaginative epoch, and one of the effects of a vivid imagination was to foster a belief in miracles as a cure for disease. This belief occasioned a flow of fees to convents having relics reputed efficacious for obtaining supernatural relief, and these fees, by enriching religious houses, served to



propagate the ecstatic mind, precisely as the abundance of medical fees, at present, serves to propagate the scientific mind. Art and literature are the ordinary channels through which the human intelligence finds expression, and accordingly from the Crusades to the Reformation emotional architecture and emotional poetry flourished luxuriantly. Conversely, since the sixteenth century, nature has discriminated sharply enough against the imaginative temperament to render it inarticulate; so much so, that a shrine like Sainte Chapelle, or a hymn like the *Dies Iræ*, could no more be created to-day than a monk could come into being capable of working the miracles wrought by Saint Bernard when he preached the cross in 1146.

Intellectual variations are the effect of an attempt at adaptation to changing external conditions of life, and when these changes are rapid a sudden upheaval of a new intellectual type occurs with a violence called revolutionary. All revolutions are interesting, but among the thousands which have shaken civilizations, that which touches us most nearly is the last, whose results are still being un-

(7) rolled before us. Indeed, perhaps it is the greatest of all. The changes which have divided modern civilization from all that has preceded it, came with the consolidation of industries which resulted from the acceleration of movement following upon the introduction of the steam engine and the kindred inventions of the same era. This consolidation caused the rapid growth of the urban population, the weakening of the family tie—in fine, a radical modification of the basis on which competition had theretofore been conducted among men. The result of such a modification was necessarily a corresponding variation in the quality of the organism demanded by nature to meet her new requirements, and this variation led to the deterioration of the ancient favoured class, and to the rise of a new type better adapted to cope with the situation.

From the sixth century to Waterloo, in Western Europe, the military class had been, more or less completely, an aristocratic or ruling caste, and had imposed its ideals upon civilization. The armed man despised the unarmed man. As Rob Roy told Bailie Jarvie, at Glasgow, his mother had “made some

mixture of our bluids, to my own proper shame be it spoken! that has a cousin wi' accounts, an yarn winnles, and looms and shuttles, like a mere mechanical person."

In England, as in Rome, the farmer had always been a soldier. The men like Dentatus, who tilled five acres, were those who repulsed Hannibal, overthrew Pyrrhus, and subdued the world. The yeomanry formed the line at Cressy and Agincourt, filled the ranks of the Ironsides, and constituted the pith of the British army as late as the Napoleonic wars. And as it was in England, so was it in still stronger degree in Scotland, where, until this century, the urban population was relatively inconsiderable. The Highlanders especially ranked almost as barbarians, having no pursuits but agriculture, hunting, fishing, robbery, and fighting; and yet these wild and unorganized clans at Killiecrankie and elsewhere routed the best troops the Government could send against them.

Under the old *régime* the serf or agricultural labourer stood at the foot of the scale, but next to him came the unarmed urban class, the industrial population. The weavers

of London, for instance, though numerous, were slightly considered throughout the Middle Ages. Commerce ranked higher. From the early sixteenth century downward adventurers like Hawkins, Drake, Raleigh, Blake, Monk, and a thousand others, had followed the sea, and in their calling had fought more desperately than all the armies of the kingdom put together. Also they reaped their reward. They established themselves in every quarter of the globe, and magnates like Sir Josiah Child, who controlled the East India Company under Charles II., ranked with the chief nobles of the land. Moreover, the great modern British epic was a naval epic, although by no means lacking in triumphs upon land. Possibly no nation within an equal space of time ever developed a more splendid or more varied array of martial genius than did England during the hundred and twenty-seven years which elapsed between the expulsion of the Stuarts and Waterloo. Marlborough, Boscawen, Clive, Hawke, Wolfe, Rodney, Collingwood, Wellington, Nelson: on land and sea, to east and west, the Anglo-Saxons did not so much defeat their adversaries as expel



from their conquests, and confine within their borders, all peoples attempting to rival them in the expansion of empire.

During this period nature put a premium on the martial and adventurous temperament, and accordingly Great Britain teemed with statesmen like Chatham and Hastings, with warriors like Clive and Nelson, and with writers like Byron and Scott. But the very brilliancy of the martial epoch led to the downfall of the martial type. England entered her heroic epoch relatively poor and insignificant, she emerged from it the centre of the world's industries, and this change in the conditions of domestic life changed the intellectual complexion of the English race. The "Industrial Revolution" began about 1760, and may be said to have ended toward 1840. When it terminated, personal strength and courage had ceased to be qualities which commanded the highest rewards at nature's hands, and, on the contrary, those qualities which had long condemned their possessors to inferiority had risen to preëminence with the rise of Manchester and Birmingham.

The whole social equilibrium was reversed

within less than two generations, and the changes which ensued are stamped with equal clearness upon the census-book, the statute-book, and upon the writings of the novelist and the poet. In 1841 the rural population still outnumbered the urban population by rather more than half a million souls; in 1851 the proportion had been reversed. Domestic and colonial agricultural prosperity depended upon two measures—the Corn Laws and the Sugar Duties. In 1846 a Conservative administration repealed the Corn Laws, in 1848 a Liberal administration equalized the Sugar Duties; and the great landlords and the West Indian planters sank together. In 1841 Cobden entered Parliament, in 1843 Durham returned Bright; thenceforward the Manchester School replaced Pitt, Canning, and Castlereagh. Scott wrote the “Fair Maid of Perth,” the last of his great romantic novels, in 1828. In April, 1836, the first number of “Pickwick” appeared, whose enormous success marked the advent of a new class seeking a new form of expression.

But to appreciate Dickens as a social phenomenon, to comprehend the variation in in-

tellectual types which his evolution indicated, one must go backward fifty years and consider the instincts and ideals of the species which was passing away, a species which found its most perfect reflection in the mind of Sir Walter Scott.

Born in 1771, Scott wrote "Waverley" in 1814, when he was forty-three years old, and when the society to which he belonged was just entering on eclipse. No one knew better than Scott that the old world was dying; he dwelt on it rather sadly in the closing chapter of "Waverley."

"There is no European nation which, within the course of half a century, or little more, has undergone so complete a change as this kingdom of Scotland. The effects of the insurrection of 1745—the destruction of the patriarchal power of the Highland chiefs:—the abolition of the heritable jurisdictions of the Lowland nobility and barons:—the total eradication of the Jacobite party, . . . commenced this innovation. The gradual influx of wealth, and extension of commerce, have since united to render the present people of Scotland a class of beings as different from their grandfathers as the existing English are from those of Queen Elizabeth's time. . . .

"Such of the present generation as can recollect the last twenty or twenty-five years of the eighteenth century will be fully sensible of the truth of this statement;—especially if their acquaintance and connections lay among those

. . . who still cherished a lingering, though hopeless, attachment to the house of Stuart. This race has now almost entirely vanished from the land, and with it, doubtless, much absurd political prejudice :—but also many living examples of singular and disinterested attachment to the principles of loyalty which they received from their fathers, and of old Scottish faith, hospitality, worth, and honour.”

Probably this ideal of “honour” was the instinct which lay deepest imbedded in Scott’s heart, and it is precisely the existence of this ideal as a social force which makes the difference between a martial and an economic age. Certainly Scott spoke his profoundest convictions, though he clothed them in exaggerated language, when he made Ivanhoe answer Rebecca thus :—

“‘ By the soul of Hereward ! . . . thou speakest, maiden, of thou knowest not what. Thou wouldst quench the pure light of chivalry, which alone distinguishes the noble from the base, the gentle knight from the churl and savage ; which rates our life far, far beneath the pitch of our honour ; raises us victorious over pain, toil, and suffering, and teaches us to fear no evil but disgrace.”

This ideal of “honour” as something dearer than life, something priceless, something which, if stained, can only be cleansed with the blood of the aggressor, is an abstraction of a martial



era and of the heroic temperament. Such a conception is incompatible with the existence of an economic society, and accordingly the duel vanished with the rise of industry. Yet the traditions of the past still retained vitality when Scott was young, and one of the most magnificent passages in English heroic literature is that in which Scott has described in "Waverley" the close of the trial for high treason of Fergus MacIvor and his foster brother, Evan Maccombich.

The judge commanded silence, and encouraged Evan to proceed.

"'I was only ganging to say, my Lord,' said Evan, in what he meant to be an insinuating manner, 'that if your excellent honour, and the honourable Court, would let Vich Ian Vohr go free just this once, and let him gae back to France, and no to trouble King George's government again, that ony six o' the very best of his clan will be willing to be justified in his stead; and if you'll just let me gae down to Glennaquoich, I'll fetch them up to ye mysell, to head or hang, and you may begin wi' me the very first man.'"

A sort of laugh was heard in court at this proposal, which the judge checked, and Evan, looking sternly around, said:—

"'If the Saxon gentlemen are laughing because a poor man, such as me, thinks my life, or the life of six of my

degree, is worth that of Vich Ian Vohr, it's like enough they may be very right; but if they laugh because they think I would not keep my word, and come back to redeem him, I can tell them they ken neither the heart of a Hielandman, nor the honour of a gentleman.' "

The judge then passed sentence on both prisoners, but offered to recommend Evan to mercy if he could "make up his mind to petition for grace."

" 'Grace me no grace,' said Evan; 'since you are to shed Vich Ian Vohr's blood, the only favour I would accept from you is —— to bid them loose my hands and gie me my claymore, and bide you just a minute sitting where you are !' "

No English author has shown such affection for this peculiar temperament as Scott, and at the same time has comprehended so clearly its limitations and its weakness. The humour, the pathos, and the dignity of the sketch of the Baron of Bradwardine, in "Waverley," make it a masterpiece; and yet throughout runs the consciousness that, under modern conditions, the type cannot compete, and its knell had rung.

Of perfect courage, the baron so lacked the instinct of self-preservation that, having escaped in 1715 from the guard who were con-

veying him to London to be tried for treason for participation in the Jacobite rising, he returned to look for his Livy, which he had forgotten. A man whose sense of honour made him resent an affront to his guest more keenly than to himself, and who fought a duel on behalf of Waverley so promptly that, though the words were spoken in the evening, he brought his vanquished adversary back to apologize at breakfast. A man so simple that Bailie Macwheeble pillaged his estate at will, and whose pedantry and family pride caused him to insist, after Preston Pans, on his right by grant "*detrahendi, seu exuendi, calligas regis post battalliam,*" or, in English, of pulling off the king's boots after the skirmish.

Hardly a novel fails to contain some such character. It may be the hard-riding, drunken Sir Hildebrand, or the dare-devil Maxwell of Summertrees, or the exalted intriguer Redgauntlet, or the passionate lover Ravenswood, or the chivalrous Claverhouse. But rich or poor, civilian or soldier, they have certain traits in common. They are brave, they hold honour dearer than life, they are capable of devotion to an ideal, and they are generally

incapable of dealing successfully with money. Scott himself illustrates the rule. Though Scott made great sums, he died a ruined man.

When "Guy Mannering" first appeared, the Ettrick Shepherd said to Professor Wilson, "I have done wi' doubts now. Colonel Mannering is just Walter Scott painted by himself." And Adolphus in his criticism of the authorship of "Waverley," remarked:—

"It was no vulgar hand that drew the lineaments of Colonel Mannering: no ordinary mind could have conceived that exquisite combination of sternness and sensibility, injurious haughtiness and chivalrous courtesy."

Equally with the gentleman Scott loved the soldier and all the class of attributes which are evolved by war; the daring, the self-sacrifice, the energy, the strength, and the ferocity mixed with gentleness. And perhaps on no point did he have a keener sympathy with the soldier than with his inaptitude for business. The old predatory instinct survived within him, as he himself said, from generations of marauding ancestors.

"I am a bad hand at depicting a hero, properly so called, and have an unfortunate propensity for the dubious characters of borderers, buccaneers, Highland robbers, and all



others of a Robin Hood description. I do not know why it should be, as I am myself, like Hamlet, indifferent honest ; but I suppose the blood of the old cattle-drivers of Teviotdale continues to stir in my veins."

Perhaps one of those cattle-driving ancestors may have been Devil's Dick of Helgarth, in the "Fair Maid of Perth," who was "well known in Annandale for a gentle Johnstone," and who, when poor Oliver Proudfoot asked him why he hawked on the borough's moor, explained, before he unhorsed and robbed him, that,—

"‘I follow the stout Laird of Wamphray, who rides with his kinsman, the redoubted Lord of Johnstone, who is banded with the mighty Earl of Douglas ; and the Earl and the Lord, and the Laird and I the Esquire, fly our hawks where we find our game, and ask no man whose ground we ride over.’"

Scott's childhood was nourished on the legends of the time when, in the words of Simon Glover, in his "dear native land of Scotland every man deemed it his privilege and his duty to avenge his own wrong."

As Adolphus long ago pointed out: "No writer has appeared in our age (and few have ever existed) who could vie with the author of

'Marmion' in describing battles and marches, and all the terrible grandeur of war." Nor did Scott write thus by calculation, for the value of a passion as a commercial article does not seem to have occurred to him. He wrote on martial subjects because he had the martial instinct; war seemed to him the greatest of excitements, and the soldier the most eminent of men. As Lockhart has related, Scott declared that "he had never felt awed or abashed except in the presence of one man — the Duke of Wellington," because, he went on to say, "the Duke of Wellington possessed every one mighty quality of the mind in a higher degree than any other man did." For Scott felt that no "amount of literary distinction" could be "spoken of in the same breath with mastery in the higher departments of practical life — least of all, with the glory of a first-rate captain."

Endowed with the heroic temperament, Scott saw everything from the heroic standpoint. When dealing with gypsies, smugglers, or marauders, he forgot their roguery, their sottishness, or their cruelty, in admiration of their loyalty, their affection, or their daring. When,

in "The Heart of Midlothian," Wilson and Robertson were listening to the sermon preached on the eve of their execution, Wilson appeared not to comprehend the meaning of the discourse, being absorbed in planning the escape of his friend. For he, seizing "two of the soldiers, one with each hand, and calling at the same time to his companion, 'Run, Geordie, run!' threw himself on a third, and fastened his teeth on the collar of his coat."

When Nixon, in "Redgauntlet," tempted the smuggler Nanty Ewart to betray the Jacobites, Ewart broke out:—

"'You are a damned old scoundrel — traitor to the man whose bread you eat! . . . I will back and tell them their danger — they are part of cargo — regularly invoiced — put under my charge by the owners — I'll back —' . . ."

Then Nixon fired, and Ewart, staggering backward, exclaimed:—

"'It has cut my backbone asunder; you have done me the last good office, and I will not die ungrateful.' As he uttered the last words, he collected his remaining strength, stood firm for an instant, drew his hanger, and fetching a stroke with both hands, cut Cristal Nixon down."

In this quality his women resemble his men. Elspeth of the Craighburnfoot, when Lord Glen-

allan reproached her with the murder of his wife, answered that she had only loyally served his mother, her mistress.

“‘I served her, wha was then the head of Glenallan, as she required me to serve her. The cause was between God and her conscience — the manner between God and mine — She is gane to her account, and I maun follow. Have I told you a’? . . . If I hae sinned, hae I not suffered? — Hae I had a day’s peace or an hour’s rest since those lang wet locks of hair first lay upon my pillow at Craighburnfoot? Has not my house been burned, wi’ my bairn in the cradle? — Have not my boats been wrecked, when a’ others weather’d the gale? — Have not a’ that were near and dear to me dree’d penance for my sin? Has not fire had its share o’ them — the winds had their part — the sea had her part? — And oh!’ she added, with a lengthened groan, . . . ‘O that the earth would take her part, that’s been lang lang wearying to be joined to it.’”

Meg Merrilies died for Harry Bertram. Brought from the cave and lying with Hatterick’s ball in her breast, she forgot her mortal agony in her devotion to the heir of Ellan-gowan.

“‘I was there like a wandering spirit, — for I longed to see that wood or we left the country. I saved the bairn’s life, and sair, sair I prigged and prayed they would leave him wi’ me — But they bore him away, and he’s been lang ower the sea, and now he’s come to his ain, and what should



withstand him? I swore to keep the secret till he was ane-an'-twenty — I kened he behoved to dree his weird till that day cam — I keepit that oath which I took to them : — but I made another vow to mysell, and if I lived to see the day of his return, I would set him in his father's seat, if every step was on a dead man. I have keepit that oath too ; — I will be ae step mysell — he ' (pointing to Hatterick) ' will soon be another, and there will be ane mair yet.' ”

The Bailie's account of the misfortunes of Rob Roy is another instance of the dignity which Scott threw around a brave man, even though he might be a felon and an outlaw.

“ ‘ Robin was ance a weel-doing, painstaking drover, as ye wad see amang ten thousand — It was a pleasure to see him in his belted plaid and brogues, wi' his target at his back, and claymore and dirk at his belt, following a hundred Highland stots, and a dozen o' the gillies, as rough and ragged as the beasts they drave. And he was baith civil and just in his dealings ; and if he thought his chapman had made a hard bargain, he wad gie him back a luck-penny to the mends. I hae ken'd him give back five shillings out o' the pund sterling. . . .

“ ‘ But the times cam hard, and Rob was venturesome. . . . And the creditors, mair especially some grit neighbours o' his, gripped to his living and land ; and they say his wife was turned out o' the house to the hill-side, and sair misguided to the boot. Shamefu' ! shamefu' ! . . . Weel, Rob cam hame, and fand desolation, God pity us ! where he left plenty ; he looked east, west, south, north, and saw neither hauld nor hope — neither beild nor shelter ; sae he

e'en pu'd the bonnet ower his brow, belted the broadsword to his side, took to the brae-side, and became a broken man.' "

Osbaldistone's description of Helen MacGregor is in the same strain: Osbaldistone saw her immediately after the defeat of a detachment of troops sent to capture Rob Roy.

" 'I do not know if Helen MacGregor had personally mingled in the fray, and indeed I was afterward given to understand the contrary; but the specks of blood on her brow, her hands and naked arms, as well as the blade of her sword which she continued to hold in her hand — her flushed countenance, and the disordered state of the raven locks which escaped from under the red bonnet and plume that formed her head-dress, seemed all to intimate that she had taken an immediate share in the conflict. Her keen black eyes and features expressed an imagination inflamed by the pride of gratified revenge and the triumph of victory. Yet there was nothing positively sanguinary, or cruel, in her deportment; and she reminded me, when the immediate alarm of the interview was over, of some of the paintings I had seen of the inspired heroines in the Catholic churches of France.' "

From his soul Scott loved the adventurer, whether he happened to be an adventurer playing his part at home, like Rob Roy, or a wanderer, like Quentin Durward, or a pure

soldier of fortune, like Captain Dalgetty. Dalgetty was typical.

“He had engaged with the King for a certain term, and, till that was expired, his principles would not permit any shadow of changing. The Covenanters, again, understood no such nice distinction, and he was in the utmost danger of falling a martyr, not to this or that political principle, but merely to his own strict ideas of a military enlistment. Fortunately, his friends discovered, by computation, that there remained but a fortnight to elapse of the engagement he had formed, and to which, though certain it was never to be renewed, no power on earth could make him false.”

These adventurers, usually noble, were apt to be Scott's lovers, and very energetic lovers they made after the romantic fashion. It might be Quentin Durward carrying the Countess of Croye out of the hall where William de la Marck had murdered Louis of Bourbon, Bishop of Liege; it might be Harry of the Wynd who fought for Clan Chattan against Clan Quhele for the sake of meeting his supposed rival in the lists; it might be Jordie Robertson, who led the band that stormed the Tolbooth, and who seduced and afterward married Effie Deans; or it might be Ravenswood, who when he had forced his

way into Ashton's house pressed his suit in these terms:—

“‘Sir William Ashton,’ said Ravenswood, ‘I pray you, and all who hear me, that you will not mistake my purpose. If this young lady, of her own free will, desires the restoration of this contract, as her letter would seem to imply—there is not a withered leaf which this autumn wind strews on the heath, that is more valueless in my eyes. But I must and will hear the truth from her own mouth—without this satisfaction I will not leave this spot. Murder me by numbers you possibly may; but I am an armed man—I am a desperate man—and I will not die without ample vengeance. This is my resolution, take it as you may. . . .

“‘Now, choose,’ he said, drawing his sword with the right hand, and, with the left, by the same motion taking a pistol from his belt and cocking it, but turning the point of one weapon, and the muzzle of the other, to the ground,—‘Choose if you will have this hall floated with blood, or if you will grant me the decisive interview with my affianced bride, which the laws of God and the country alike entitle me to demand.’”

Finally, since religious enthusiasm is the summit of exaltation, Scott, gifted with the emotional temperament, should have had an instinctive sympathy with enthusiasts. Accordingly there are no finer pages in his romances than those devoted to the Covenanters; and in English literature, past or present, in prose or verse, there is no nobler



picture of a devoted champion of the church than Balfour of Burley in "Old Mortality." Indeed, the passions there dealt with are probably too fierce to appeal to the taste of the present generation, though nothing can be truer to the spirit of the Cameronians of the seventeenth century. When Morton sought Balfour in his cavern, after the accession of William III., Balfour's mind had partially given way. Morton found him with his sword in one hand and his Bible in the other, thrusting into the empty air. Morton tried to persuade Burley to accept the situation.

"'The land has peace, liberty, and freedom of conscience — what would you have more?'

"'More !' exclaimed Burley, again unsheathing his sword, . . . 'Look at the notches upon that weapon; they are three in number, are they not?'

"'It seems so,' answered Morton; 'but what of that?'

"'The fragment of steel that parted from this first gap, rested on the skull of the perjured traitor who first introduced Episcopacy into Scotland; — this second notch was made in the rib bone of an impious villain, the boldest and best soldier that upheld the prelatic cause at Drumclog; — this third was broken on the steel headpiece of the captain who defended the Chapel of Holyrood when the people rose at the Revolution — I cleft him to the teeth through steel and bone. It has done great deeds, this little weapon, and each of these blows was a deliverance to the church.

This sword,' he said, again sheathing it, 'has yet more to do—to weed out this base and pestilential heresy of Erastianism—to vindicate the true liberty of the Kirk in her purity—to restore the Covenant in its glory,—then let it moulder and rust beside the bones of its master.' ”

If space permitted, there is hardly a quality of Scott's mind which might not be traced to the action of natural selection. Within the limits of an article, however, one or two illustrations must suffice. In all decentralized communities the family instinct, and therefore the hereditary instinct, must be strong, because the lack of police throws the burden of self-defence upon the family, or the tribe, which is an enlarged conception of the family. In centralized or economic societies, on the other hand, as police improves, the family tie is relaxed, and the family tie is relaxed because the form of competition for subsistence is changed, and the individual, to support life, requires perfect freedom of movement.

Scott's instincts were archaic, hence with him the hereditary instinct was strong, and he dwelt to excess on the heritable quality of mental and physical characteristics. The horseshoe of Redgauntlet, the recognition

of Harry Bertram, and the peculiarities of the house of Argyle must occur to every mind.

Furthermore, the military class is a rural class, therefore Scott's tastes were rural. There is nothing urban in all his works, in the sense in which Dickens is urban. The scene of a romance like the "Fair Maid of Perth" may be laid in a town; but the dramatic interest of the story turns on incidents quite apart from the burgher life of the Middle Ages.

Lastly, an hereditary military caste must be brave, and with Scott fear was a secondary passion. He used cowardice sometimes as a foil to courage, as he used the terror of Morris to set off the Bailie's answer to Helen MacGregor, when she threatened to murder him; but on the whole Scott always appealed to his public for sympathy with intrepidity. Fear belonged to burghers, like Oliver Proud-fute, "mechanical persons," or attorneys, men who wore no swords; but with soldiers like Claverhouse, Morton, Bothwell, even Dalgetty, fear was substantially unknown, and among the Highlanders so unusual as to pass for enchantment.

Thus Torquil of the Oak, on the eve of the combat in the "Fair Maid of Perth," could not believe that his chief lacked determination.

"It was lucky for Eachin that Torquil was incapable, from the formation of his own temper, and that of those with whom he had lived, to conceive the idea of one of his own tribe, much less of his chief and foster son, being deficient in animal courage. . . . Enchantment was a solution."

In the same way, in the "Legend of Montrose," when Argyle decided to watch the battle from the deck of a galley,—

"The noble heart of Ardenvohr was wrung with bitter anguish when he reflected to what interpretation his present conduct might subject him.

"'It is better it should be so,' said he to himself, devouring his own emotion; 'but—of his line of a hundred sires, I know not one who would have retired while the banner of Diarmid waved in the wind, in the face of its most inveterate foes!'"

Such were the impressions made by the external world on temperaments selected by nature with a view to self-defence, under conditions where little or no protection by police existed. Thus stimulated, the heroic qualities necessarily flourished; and therefore the



heroic ideals dominated, more or less absolutely, every nation of Europe, from the Crusades to Waterloo. This form of intelligence found its last and, perhaps, its noblest, interpreter in Sir Walter Scott, for in the next generation the accumulation of capital, resulting from the industrial development of the last half of the eighteenth century, engendered the modern police, and with the modern police the value of valour and strength as aids to fortune declined.

The effect of the "Industrial Revolution," which began about the date of Scott's birth, was to raise a timid social stratum to the position of a ruling caste. A social stratum which had never worn the sword, which had always been overridden by soldiers, and which regarded violence with the horror born of fear. According to the Baron of Bradwardine's code, life only retained a value while honour remained stainless, and honour became stained by submission to an insult when that insult could be avenged. But to the industrial community, who knew they could not defend themselves with weapons, the Baron of Bradwardine appeared as a

criminal, and they directed legislation against his kind as against ordinary malefactors.

Hardly ever in human history has so remorseless a discrimination been carried on against a doomed class, as against the martial type in the century which elapsed between 1750 and 1850. In Dickens's time, Devil's Dick had sunk into the common rough to be handed over to the constable without hesitation by an opulent citizen like Oliver Proudpute. The Glasgow Bailie had hired MacGregor's glens for game preserves, and the inhabitants had been exiled or exterminated. A new variety of nervous organism possessed the world. An organism as different from the organism which preceded it as is the organism of the ox from the organism of the wolf; and this latter organism found its chronicler in Charles Dickens, as its predecessor had found its bard in Scott.

Read from this standpoint, the works of Dickens abound with suggestion. Reduced to its ultimate analysis, the fundamental difference between the antique and the modern social type consists in the elimination of

courage as an essential quality in a ruling class. This quality being eliminated, the ideal of courage contained in the conception of the gentleman fell, and with the destruction of this conception went the capacity for enthusiasm, the sympathy with the instinct for self-devotion, and, in fine, all the chief attributes of the heroic mind.

Taken as a whole, the salient trait which runs through Dickens's writing is fear. Fear both of the unknown and of the known. Many of his best novels have this passion for the foundation of the story. The "Old Curiosity Shop," "Oliver Twist," "Martin Chuzzlewit," where the catastrophe hinges on the terror of Jonas, which makes him murder Tigg. Take at random a passage from "Barnaby Rudge"; the evening at the Maypole when Solomon Daisy fled from the church where he had met Rudge.

"A more complete picture of terror than the little man presented, it would be difficult to imagine. The perspiration stood in beads upon his face, his knees knocked together, his every limb trembled, the power of articulation was quite gone; and there he stood, panting for breath, gazing on them with such livid ashy looks, that they were infected with his fear, though ignorant of its occasion, and,

reflecting his dismayed and horror-stricken visage, stared back again without venturing to question him."

Among many such passages in the same book the execution of Dennis the hangman is worth noting.

" 'Gentlemen, good gentlemen,' cried the abject creature, grovelling down upon his knees, and actually prostrating himself upon the stone floor: 'Governor, dear governor, —honourable sheriffs —worthy gentlemen— have mercy upon a wretched man that has served his Majesty, and the Law, and Parliament, for so many years, and don't — don't let me die — because of a mistake. . . . But perhaps they think on that account that the punishment's not so great,' cried the criminal, shuffling toward this speaker on his knees and holding up his folded hands; 'whereas it's worse, it's worse a hundred times, to me than any man. . . .' They took him to the anvil: but . . . he continued to rave in this sort until his voice failed him, and he sank down a mere heap of clothes between the two attendants."

Or in "Martin Chuzzlewit," in the interview between Tigg and Jonas, it becomes a question which is the more alarmed of the two. Tigg charged Jonas with the murder of his father in these words, and with this effect. Nadgett, the detective, Tigg kept by him for protection.

"He beckoned to Jonas to bring his chair nearer; and looking slightly round, as if to remind him of the presence of Nadgett, whispered in his ear. From red to white; from white to red again; from red to yellow; then to a cold,



dull, awful, sweat-bedabbled blue. In that short whisper, all these changes fell upon the face of Jonas Chuzzlewit; and when at last he laid his hand upon the whisperer's mouth, appalled lest any syllable of what he said should reach the ears of the third person present, it was as bloodless and as heavy as the hand of Death."

The horror of Tigg's journey with Jonas to Salisbury is equally striking, but too long to be extracted.

"Oliver Twist" deals with nothing but fear. The cracksmen themselves were as timid as Oliver when brought to the test.

After the murder of Nancy, Sikes sought shelter in Crackit's house in Jacob's Island.

"The knocking came again. No, it wasn't he [Sikes]. He never knocked like that.

"Crackit went to the window, and shaking all over, drew in his head. There was no need to tell them who it was; his pale face was enough. . . . 'We must let him in,' he said, taking up the candle.

"'Isn't there any help for it?' asked the other man in a hoarse voice.

"'None. He *must* come in.'

"'Don't leave us in the dark,' said Kags, taking down a candle from the chimneypiece, and lighting it, with such a trembling hand that the knocking was twice repeated before he had finished."

Whole chapters devoted to terror in its different phases might be cited were further

evidence needed of a fact so patent. Assuming, however, that the foregoing illustrations suffice, it remains to draw the conclusions from these premises. If a timid class had risen to fortune by new processes of natural selection, its instincts would have been the instincts of the weak, not of the strong; it would have trusted to craft, and not to valour. Accordingly, when Dickens wished to personify force he never did so through the soldier, or the swordsman, but through the attorney, the detective, or the usurer.

The usurer is all-pervasive. He usually furnished the material for the villain: Ralph Nickleby, Gride, Quilp, and a dozen others occur at once. Tulkinghorn, the solicitor, is one of the great characters of modern fiction, and in both "Bleak House" and "Martin Chuzzlewit" the tale turns on detectives, Bucket, and Nadgett "the man of mystery."

The secret service is something dark and terrible; the resistless power of society which hunts the criminal to his doom. From private vengeance he has little to fear. After the interview between Jonas Chuzzlewit and Montague, in which Montague disclosed to Jonas

his knowledge of an attempt on his father's life, Dickens made this reflection, as Montague, Jonas, and Nadgett left the house together:—

“Whatever Jonas felt in reference to Montague; . . . whatever thoughts came crowding on his mind even at that early time, of one terrible chance of escape, of one red glimmer in a sky of blackness; he no more thought that the slinking figure half a dozen stairs behind him was his pursuing Fate, than that the other figure at his side was his Good Angel.”

Assuming the proposition to be correct that the “Industrial Revolution” consisted in the advance in numbers and importance of what had previously been the last third of the urban population of the United Kingdom, and that Dickens had the intellectual mechanism peculiar to this class; the urban instincts and prejudices should be found reflected in Dickens's works, and these instincts and peculiarities should, *a priori*, be supplementary to the instincts and peculiarities of Scott.

Thus, for example, regarded historically, an urban population, in the main, had been a population which, sheltered by fortifications, had, in a warlike age, followed peaceful

pursuits. Accordingly craftsmen developed little aptitude for regular combat, but had been famous for turbulence. On the other hand, farmers had stagnated intellectually; therefore faith had always been characteristic of the country, and incredulity of the city. Apply this canon of criticism to Scott and Dickens.

In all Dickens there is but one episode which can be called warlike, the Gordon riots, an outbreak of civic turbulence. Also he has described but one religious enthusiast, Lord George Gordon, whom he judged insane. Nearly half of Scott is devoted to war, and a very large portion to the Cameronians and the Crusaders. Furthermore, as Dickens regarded religious exaltation as mania, so he regarded the ideal of martial honour as criminal. The duel, or the right of exacting private retribution for an injury, he put nearly on a par with assassination, while he saw in duellists dangerous and wicked men. It suffices to cite the death of Lord Verisopht.

One of the most characteristic and charming passages in Scott is the description of the Baron of Bradwardine's duel with Balma-



whapple, which arose over a dispute fomented by the claret of Luckie Macleary's tavern. The insult was to the Baron's guest, Waverley, but the Baron's rapier was out in an instant, and he would "have tickled his opponent other gates than he did, had he not been under the influence of Ursa Major," or the goblet called the Blessed Bear of Bradwardine. Next morning, however, the Baron rose early, and at breakfast appeared with Balmawhapple, whose arm was in a sling, to apologize. Waverley first guessed that his host had fought his quarrel for him from the song of Davie Gellatley, the last verse of which is as follows:—

"The young man will brawl at the evening board ;

*Heard ye so merry the little bird sing ?*

But the old man will draw at the dawning the sword,

*And the throstle-cock's head is under his wing."*

If Scott wished to depict a courageous gentleman, he wrote a paragraph something like the story of the Baron of Bradwardine's portrait, which had been painted at the request of the "Marechal Duke of Berwick."

"The good old gentleman did not mention . . . that the Duke had done him this honour on account of his being

the first to mount the breach of a fort in Savoy during the memorable campaign of 1709, and of his having there defended himself with his half pike for nearly ten minutes before any support reached him. To do the Baron justice, although sufficiently prone to dwell upon, and even to exaggerate, his family dignity and consequence, he was too much a man of real courage ever to allude to such personal acts of merit as he had himself manifested."

If Dickens desired to produce a similar effect, he generally reverted to pugilism; fights like those of Sam Weller appealed to him; and, perhaps, the nearest approach to an attempt at the heroic in behalf of any of his lovers, was the street brawl between Nicholas Nickleby and Sir Mulberry Hawk.

Nickleby heard a party of men in the coffee-room of an hotel speaking loosely of his sister. He demanded an explanation, which was refused. Nickleby sat until the party left the house, then he followed them out; Sir Mulberry got into his carriage and took the reins. Nickleby asked:—

"‘Will you make yourself known to me?’ . . .

"‘No,’ replied the other fiercely, and confirming the refusal with an oath. ‘No.’ . . .

"‘You are a villain,’ said Nicholas.

"‘You are an errand boy for aught I know,’ said Sir Mulberry Hawk."

Nicholas sprang on the step and grasped the reins, the mare began plunging, and the groom let her go.

"But Nicholas, blind to all sense of danger, and conscious of nothing but his fury, still maintained his place and his hold upon the reins.

" 'Will you unclasp your hand?'

" 'Will you tell me who you are?'

" 'No!'

" 'No!'

"In less time than the quickest tongue could tell it, these words were exchanged, and Sir Mulberry shortened his whip, applied it furiously to the head and shoulders of Nicholas. It was broken in the struggle; Nicholas gained the heavy handle, and with it laid open one side of his antagonist's face from the eye to the lip. He saw the gash; knew that the mare had darted off at a wild, mad gallop; a hundred lights danced in his eyes, and he felt himself flung violently upon the ground."

This disaster so embittered Sir Mulberry against Nicholas that he determined to waylay him, and disclosed his purpose to Lord Verisopht, over whom he exercised much influence. Verisopht, however, would not countenance the treachery, and struck Sir Mulberry in a dispute after both had been drinking. Both Hawk and Verisopht were men who, presumably, had been brought up under what

Scott would have regarded the most favourable conditions, and this is Dickens's idea of how such men amuse themselves, and how they defend the ideal which poor Evan Maccombich called "the honour of a gentleman."

"It was a profligate haunt, of the worst repute, and not a place in which such an affair was likely to waken any sympathy for either party. . . . Elsewhere, its further progress would have been instantly prevented, and time allowed for sober and cool reflection ; but not there."

As the two seconds, one of whom was a soldier, were

"both utterly heartless, both men upon town, both thoroughly initiated in its worst vices, both deeply in debt, both fallen from some higher estate, both addicted to every depravity for which society can find some genteel name and plead its most depraving conventionalities as an excuse, they were naturally gentlemen of the most unblemished honour themselves, and of great nicety concerning the honour of other people."

Dickens seldom undertook to describe the gentleman, the soldier, or the adventurer, and when he did, he unconsciously caricatured them because he knew those temperaments only by their antagonism to his own. Sir Mulberry Hawk is too grotesque to criticise, but Sir Leicester Dedlock is a later and more mature



effort, and one which is interesting by showing the limitations of the author. Sir Leicester always remained at bottom "Sir Arrogant Numskull," and he only redeemed himself finally by an act which Dickens considered an insult to his ancestors. He buried Lady Dedlock in the family tomb.

"Some of her old friends, principally to be found among the peachy-cheeked charmers with skeleton throats, did once occasionally say, as they toyed in a ghastly manner with large fans . . . that they wondered the ashes of the Dedlocks, entombed in the mausoleum, never rose against the profanation of her company. But the dead-and-gone Dedlocks take it very calmly, and have never been known to object."

Perhaps in all of Dickens there is but one soldier whose character is of enough consequence to merit serious attention, and he is the "blue-faced" Major Bagstock, Old Joey B., "who needn't look far for a wife," who was

"'tough, sir, tough, and devilish sly.'" After such a declaration wheezing sounds would be heard; and the Major's blue would deepen into purple, while his eyes strained and started convulsively."

The Major's business was to toady Mr. Dombey:—

"The Major's purple visage deepened in its hue, and the Major's lobster eyes stood out in bolder relief, as he shook Mr. Dombey by the hand. . . . 'Dombey,' said the Major, 'I'm glad to see you. I'm proud to see you. There are not many men in Europe to whom J. Bagstock would say that — for Josh is blunt, sir: it's his nature — but Joey B. is proud to see you, Dombey.'

"Notwithstanding his very liberal laudation of himself, however, the Major was selfish. It may be doubted whether there ever was a more entirely selfish person at heart, or at stomach is perhaps a better expression, seeing that he was more decidedly endowed with the latter organ than with the former."

And as it was with the gentleman, the soldier, and the enthusiast, so was it with the adventurer. The instincts of that vast band of pioneers and wanderers who have reared the British Empire were as alien to the urban mind of Dickens as were the instincts of the moss-trooper or the Covenanters. The one episode of adventure Dickens essayed was the journey to America of Martin Chuzzlewit, and nothing is more suggestive than to observe the repulsion the wilderness roused in a mind developed with the attributes requisite for competition under conditions of centralization.

The rise of the class of organism to which Dickens belonged came from the centraliza-

tion of industries, and the centralization of industries in turn consolidated labour. But the consolidation of labour implied various social changes, beside stimulating the development of special faculties fitted to competition amidst masses; chief among these changes was the relaxation of the family tie. Consolidation of labour means the reduction of a section of the population to a fluid mass, in which mass every individual must constitute, more or less completely, a competing unit, since men, women, and children all have energy which commands a price. Thus each individual must tend to become isolated, often from an early age, and to act independently of that knot of relatives who, in archaic civilizations, form the basis of society. Dickens himself, a solitary boy, began to compete in a blacking factory at ten years old.

Evidently, the core of the new civilization lay in individual adaptability, as the core of the old lay in inheritance; consequently inherited advantages discriminated against the rising class, and thus the advent of the Manchester School coincided with a popular protest against the hereditary principle. Few writers

have expressed this protest more energetically or more bitterly than Dickens. His excitement often led to extravagance. For example, if Dickens wanted a heroine, a pure, gentle, high-minded, refined girl, fit to marry the *gentleman* of the book, he saw no inconsistency in describing her as the daughter of semi-imbecile or even criminal parents. Nicholas and Kate Nickleby are represented as the children of a man without energy, sense, or judgment, who married a woman whose folly has made her name immortal in the English language. He even went further than this. In "Our Mutual Friend" he did not hesitate to pick Lizzie Hexam out of one of the most infamous quarters of London, where she lived in a den, consorted with vice, and was supported by a father whose trade was to rob corpses found floating in the river—possibly even to murder his victims before finding them. Little Dorrit, the child of the Marshalsea, the daughter of a wretched, shiftless, weak, and selfish father, and the sister of children worthy of this parent, we are assured grew up in this tainted atmosphere without blemish, and matured into the most industrious, self-sacrificing, and innocent of



women. Indeed, if Dickens wanted to paint a heroine, he seems often to have sought to heighten his effects by contrasting her with her relations, as in the case of Little Dorrit, using the past as a foil.

Nevertheless, in Dickens's works nothing throws such light on this curious instinct as the repulsion with which he regarded not only the transmission of rank or position, but even of wealth itself. Dickens's social ideal was the self-made business man, the perfect child of the "Industrial Revolution," the organism which presumably owed nothing to conditions external to itself.

Dickens attempted to realize this ideal in the Cheeryble Brothers, who came up barefoot to London, and, having amassed property, gave their lives to charity. The description of their counting-house he intended to be emblematic: —

"Everything gave back, besides, some reflection of the kindly spirit of the brothers. . . . Among the shipping announcements and steam packet lists which decorated the counting-house wall, were designs for almshouses, statements of charities, and plans for new hospitals. A blunderbuss and two swords hung above the chimney-piece, for the terror of evil-doers, but the blunderbuss was rusty and shat-

tered, and the swords were broken and edgeless. Elsewhere, their open display in such a condition would have raised a smile ; but, there, it seemed as though even violent and offensive weapons partook of the reigning influence, and became emblems of mercy and forbearance."

Mr. Dombey, on the contrary, had inherited his business. Accordingly Mr. Dombey was consumed with the pride of ancestry.

"'Dombey and Son.' These three words conveyed the one idea of Mr. Dombey's life. The earth was made for Dombey and Son to trade in, and the sun and moon were made to give them light."

As Mr. Carker, Dombey's manager, explained to Mrs. Dombey, after the first quarrel between the husband and wife, occasioned by the husband's arrogance:—

"'If he has a fault, it is a lofty stubbornness, rooted in that noble pride and sense of power which belong to him, and which we must all defer to ; which is not assailable like the obstinacy of other characters ; and which grows upon itself from day to day, and year to year. . . . Dombey and Son know neither time, nor place, nor season, but bear them all down.'"

This arrogance, born of an inheritance, ruined Dombey ; it caused him to hate his daughter, to estrange his wife, and finally to follow a course which ended in bankruptcy.

Dombey, socially, was as intolerable as in the counting-house. His visitors seemed to have some native impossibility of amalgamation with Mrs. Dombey's, and his "glittering table . . . and the long plateau of precious metal frosted, separating him from Mrs. Dombey, whereon frosted Cupids offered scentless flowers to each of them, was allegorical to see."

Conversely, at the Cheeryble dinner, with Tim Linkinwater and Nicholas, down in the City, —

"there was abundance of conversation, and little fear of its ever flagging, for the good humour of the glorious old twins drew everybody out, and Tim Linkinwater's sister went off into a long and circumstantial account of Tim Linkinwater's infancy, after the first glass of champagne,"

while Tim, under the influence of "a bowl of bishop . . . coming on top of the double-diamond, and other excitements," became maudlin.

In the midst of the entertainment Brother Ned proposed to Brother Charles the health of their mother.

"‘I wish she could have seen us in our prosperity . . . and had the happiness of knowing how dearly we loved her in it, as we did when we were two poor boys.’ . . .

“‘Good God!’ thought Nicholas, ‘and there are scores of people of their own station, knowing all this, and twenty thousand times more, who wouldn’t ask these men to dinner because they eat with their knives and never went to school!’”

From end to end of Dickens’s works this social revolt appears; for Dickens belonged to a type which had long been unacceptable to nature—the organism which at Rome found its mouthpiece in Juvenal. In Rome no “Industrial Revolution” occurred to raise this organism to predominance, hence Juvenal was pessimistic. In England, through the “Industrial Revolution,” what would otherwise have been the proletariat reached high fortune; therefore Dickens was optimistic, but his instincts, his emotions, and his prejudices remain always with the stratum from which he sprang.

Neither Dickens nor Juvenal could live away from the capital. Juvenal’s young noble, with a house full of ancestral portraits, who taunted the poor man because he was sprung from the people, and knew not whence his father came, might have done for Lord Verisopht or Lord Mutanhed. Dickens, too, like Juvenal, felt



most at home among the homeless. As Gaston Boissier has observed of the Roman satirist:—

“We are with him among the hungry poets, among the professors without pupils, among the advocates without causes, among ruined tradesmen, among those who live amidst privations or adventures, . . . who sleep . . . at times amidst the sailors, the thieves, the fugitive slaves, the makers of shrouds, and the mendicant priests of Cybele.”<sup>1</sup>

The interests of those competing under such conditions were limited in proportion to the limitation of their sphere of activity, but no such limitation affected Scott; the world lay open before him. In Scott's books are to be found the prelate side by side with the Cameronian enthusiast, the general and the trooper, the statesman, the country gentleman, the noble, the farmer, the mendicant, the sportsman, the lawyer, the adventurer, the sailor, the peasant, and the criminal. With him one mingles with equal ease in all societies; in that of Inveraray Castle, or in that of the Tower of Tillietudlem with Lady Margaret Bellenden and Claverhouse; one meets the drunken fox-hunters of Osbaldistone Hall, the most brilliant literary circle of the age at Edinburgh, or “mechanical persons” at the dinner table of

<sup>1</sup>“L'Opposition sous les Césars,” p. 316.

Provost Crosbie of Dumfries, or Bailie Nicol Jarvie of Glasgow; last of all and perhaps most intimate of all, the men of letters and the archæologist; in a word, "The Antiquary."

Dickens presents nearly the reverse of such an attitude. In his works nothing is to be found of politics, of art, or of what Dominie Sampson would have called "erudition." Very little of farming, of rural sports, of adventure, or of religion, save in the shape of such a caricature as Stiggins. His young men of means usually have no tastes which keep them from folly, but generally, like David Copperfield or Pip, idle their time away and run into debt. The social ideal is the tavern. On the instant a dozen taprooms and kitchens rise before the mind. The Saracen's Head at Towchester, where Mr. Pickwick met the editors; the Blue Boar at Salisbury, where Mrs. Lupin waited for Mark Tapley; the George and Vulture, where Mr. Pickwick lived after he left Mrs. Bardell; and the Maypole, which occupies the place of honour in Barnaby Rudge.

"What carpet like its crunching sand, what music merry as its crackling logs, what perfume like its kitchen's dainty breath, what weather genial as its hearty warmth."

The inn was the most attractive of resorts, the company of the travellers' room the most congenial circle, and the legitimate end of all conviviality was to get tipsy on spirits. The form in which the struggle for life presented itself to the audience of Dickens and of Scott was therefore radically different, and stimulated nearly opposite intellectual qualities.

Scott represented an age during which a demand had been made upon the emotions. An age which began with the Crusades, and which ended with the fall of the Highland clans. An imaginative society evolves ideals, and the essence of an ideal is the capacity for the sacrifice of self for an affection, or for an immaterial object. Hence in Scott the appeal made to his audience is frequently for sympathy with an act of devotion, often combined with a feat of personal bravery.

He loved to use the loyalty of men like Bradwardine or Redgauntlet to a lost and almost forgotten cause, the adoration of Maccombich for Fergus MacIvor, of Meg Merri-  
lies for Bertram, and of Torquil of the Oak for his young chief. Or it may be simply the forgetfulness of self for a duty, as the stead-

fastness of Dalgetty to his engagement, or of Nanty Ewart to his owners and passengers; or it may be, lastly, that religious exaltation which raises men not only above the fear of death, but above the power of pain.

In "Old Mortality," when Macbriar, the sectary "hardly twenty years old," already broken by suffering, was brought before the Council to be tried for treason after the battle of Bothwell Bridge, he was asked where he last saw his friend Balfour of Burley? Macbriar refused to answer, and the executioner was directed to put his leg in the boot.

"The fellow . . . asked, with a harsh and discordant voice, upon which of the prisoner's limbs he should first employ his engine.

" 'Let him choose for himself,' said the Duke, 'I should like to oblige him in anything that is reasonable.'

" 'Since you leave it to me,' said the prisoner, stretching forth his right leg, 'take the best — I willingly bestow it in the cause for which I suffer.' "

The conditions of life which evolved Dickens having been almost the converse of those which created Scott, the emotions of his characters were dissimilar. Dickens relied relatively little on sympathy for devotion of self to an ideal; his audience being dis-



tinctively a timid audience largely feminine, he appealed to it chiefly through the passion of fear, through descriptions of the sufferings of the weak.

Perhaps Sidney Carton is the most famous example of self-sacrifice in all the works of Dickens, and yet this exception proves the rule, for the verdict of the world has been against the reality and the truth to nature of the "Tale of Two Cities." The author there undertook to deal with a sequence of intellectual cause and effect foreign to his temperament.

Provis, the convict in "Great Expectations," who sacrificed himself for the child who succoured him when escaping from the hulk, is another instance; and this one is indeed curious, for the interest of the story hinges not on the admiration caused by the devotion of the felon, but on the disgust which the manners of his benefactor roused in Pip who received the benefit. Forster, the biographer of Dickens and his nearest friend, has pointed this out as a stroke of genius.

"Pip's loathing of what had built up his fortune, and his horror of the uncouth architect, are apparent even in his

most generous efforts to protect him from exposure and sentence."

The difference of mental attitude between Pip and Harry Bertram needs no comment.

Perhaps Nancy in "Oliver Twist" might rank as a third example, but Nancy is not so much a case of devotion as a case of the immolation of the helpless in that sordid struggle for life which goes on among the discarded classes of an urban population. The story of Nancy is an appeal to pity, and pity for the feeble is the emotion peculiar to Dickens, as enthusiasm for the strong is the emotion peculiar to Scott.

In all fiction there is little more energetic than the development of weak organisms by Dickens: the drunken, the shiftless, the wasteful; the Micawbers, the Swivellers, the Dorrits, on the one hand, and, on the other, the predatory class which destroys them, the attorneys, the fences, the usurers; Ralph Nickleby, Quilp, Gride, Fagin, Brass, Heep, and Pecksniff. The weakest portion of the weakest class were the women and children, and Dickens, who had belonged to this class as a boy, bore to his death the scars of his early

agony. Half a century ago all England was alternately laughing and weeping over the Marchioness and Sally Brass, over Mercy and Jonas Chuzzlewit, Little Nell and Quilp, Squeers and Smike, Oliver Twist, Bumble, Nancy, Sikes, and Fagin. No single extract can do justice to the power of the artist, but the following scene may serve when compared with the Bailie's account of the ruin of Rob Roy, to throw into relief the variation between the two generations.

Oliver, having been carried home by Mr. Brownlow, who cared for him, was sent on an errand to a bookstall. There Nancy met him and carried him back to Fagin's den, from which he had been delivered.

Sikes had just said that Oliver's friends were "soft-hearted psalm-singers, or they wouldn't have taken him in at all." As Sikes ended —

"Oliver . . . jumped suddenly to his feet, and tore wildly from the room: uttering shrieks for help, which made the bare old house echo to the roof.

"'Keep back the dog, Bill!' cried Nancy, . . . 'keep back the dog; he'll tear the boy to pieces.'

"'Serve him right!' cried Sikes, struggling to disengage himself from the girl's grasp. 'Stand off from me, or I'll split your head against the wall.' . . .

"The housebreaker flung the girl from him to the further end of the room; just as the Jew and the two boys returned: dragging Oliver among them. . . .

"'So you wanted to get away, my dear, did you?' said the Jew, taking up a jagged and knotted club which lay in a corner of the fireplace; 'eh? . . . Wanted to get assistance; called for the police; did you?' sneered the Jew, catching the boy by the arm. 'We'll cure you of that, my young master.'

"The Jew inflicted a smart blow on Oliver's shoulders with the club; and was raising it for a second, when the girl, rushing forward, wrested it from his hand. . . .

"'What do you mean by this?' said Sikes. . . . 'Burn my body! do you know who you are, and what you are? . . . You're a nice one,' added Sikes, as he surveyed her with a contemptuous air, 'to take up the humane and gen-teel side!' . . .

"'God Almighty help me, I am!' cried the girl passionately; 'and I wish I had been struck dead before . . . I had lent a hand in bringing him here. He's a thief, a liar, a devil; all that's bad, from this night forth. Isn't that enough for the old wretch, without blows?'

"'Come, come, Sikes,' said the Jew . . . 'we must have civil words;'. . . .

"'Civil words!' cried the girl. . . . 'Civil words, you villain! Yes; you deserve 'em from me. I thieved for you when I was a child not half as old as this! . . . Don't you know it? Speak out! don't you know it?'

"'Well, well,' replied the Jew . . . 'and if you have, it's your living!'

"'Aye, it is!' returned the girl. . . . 'It is my living; and the cold, wet, dirty streets are my home; and you're the wretch that drove me to them long ago; and that'll



keep me there, day and night, day and night, till I die !'

" 'I shall do you a mischief !' interposed the Jew, goaded by these reproaches ; 'a mischief worse than that, if you say much more !'

"The girl said nothing more ; but, tearing her hair and dress in a transport of frenzy, made such a rush at the Jew as would probably have left signal marks of her revenge upon him, had not her wrists been seized by Sikes at the right moment ; upon which, she made a few ineffectual struggles : and fainted.

" 'She's all right now,' said Sikes, laying her down in a corner. 'She's uncommon strong in the arms, when she's up in this way.'

" 'It's the worst of having to do with women,' said the Jew, replacing his club ; 'but they're clever, and we can't get on, in our line, without 'em. Charley, show Oliver to bed.' "

What divided Dickens from the men of letters who had preceded him was the gulf which divided Cobden from Chatham. Dickens was the child, the creation, of the "Industrial Revolution," even to the shilling numbers in which his books were published, which gave him his enormous and cheap audience, but which encouraged prolixity, and destroyed the unity of his work. Yet he was of the blood and bone of the people he described, and therein lay his strength. The existence he knew best may have been narrow, the interests sordid ;

but in telling the tale of the agony of the discarded in their bitter fight for life, he has never been surpassed. The story of his own youth is found in "David Copperfield," when at ten years old he became "a little labouring hind" at six or seven shillings a week "in the service of Murdstone and Grinby." There, consorting with the scum of the London streets, with the inmates of debtors' prisons, so childish that he spent for the stale pastry sold for half price at the pastry-cooks' doors the money that should have bought his dinner, he suffered what thousands suffer, but which one alone has had the gift to tell. There he learned to know the terrors of the helpless, and there his imagination acquired that tinge of fear which has coloured all his writings. Perhaps nothing of its kind more striking has ever been produced in English literature than the short autobiography of a waif, to which these lines belong:—

"I know I do not exaggerate, unconsciously and unintentionally, the scantiness of my resources or the difficulties of my life. I know that if a shilling were given me by Mr. Quinion at any time, I spent it in a dinner or a tea. I know that I worked from morning until night, with common men and boys, a shabby child. I know that I lounged

about the streets, insufficiently and unsatisfactorily fed. I know that, but for the mercy of God, I might easily have been, for any care that was taken of me, a little robber or a little vagabond. . . . From Monday morning until Saturday night I had no advice, no counsel, no encouragement, no consolation, no assistance, no support of any kind, from any one, that I can call to mind, as I hope to go to heaven ! ”

## THE DECAY OF ENGLAND

HUMAN society is a complete living organism, with circulation, heart, and members. The heart lies at the seat of international commercial exchanges, the circulation flows through the arteries of trade, and the members usually show more or less vitality in proportion to their direct relations with the heart. Moreover, this organism, like all others, is never perfectly quiescent, but ceaselessly contracts or expands, and as it does so, the course of its circulation and the position of its heart shift to correspond with its varying bulk. This shifting of the geographical position of the heart is, perhaps, the most serious catastrophe with which mankind has to cope; for the movement of the economic capital of the world from any given abiding place indicates that the equilibrium of society has been disturbed, and that the entire relations of the race must be readjusted before a new equipoise can be attained.



These readjustments have always been called revolutions, and most of the worst convulsions of history have occurred during the intervals of transition when the seat of empire, having abandoned one abode, had not yet fixed upon another. The last of these spasms began in 1793 and ended with Waterloo; then came a calm, and from 1815 onward for above two generations London assumed daily, more and more undisputedly, the functions of the economic capital, and Great Britain became more admittedly the seat of empire. This period of preponderance lasted until 1890, since when an impression has gained ground that England is relatively losing vitality, that the focus of energy and wealth is shifting, and that, therefore, a period of instability is impending.

Should this supposition be true, no event could be more momentous to America; for, if the western continent is gaining at the cost of the eastern, the United States must shortly bear the burden England has borne, must assume the responsibilities and perform the tasks which have within human memory fallen to the share of England, and must be

equipped accordingly. Such a proposition may well occasion anxiety, since few Americans can feel confident that the antiquated administrative machinery we have inherited from the last century is adapted to meet such a strain. In that case social reorganization may lie before us; and indeed the path to supremacy has seldom proved smooth.

Nevertheless, fears are unavailing, if reason for fear there be. Timidity never yet averted disaster, while safety comes from an intelligent appreciation of situations as they arise, and from preparation for emergencies. Questions of domestic administration can be relegated to the future to which they appertain; for the moment our foreign relations, which will brook no delay, may well absorb our attention, for they involve peace and war. For nearly a hundred years England has acted as the containing power, or balance wheel, of the world; but if England is really losing her vitality, she can no longer be relied upon to perform that function, and until a new equilibrium can be attained each community must fight for itself in every corner of the globe. The great overshadowing ques-

tion of the hour, therefore, is whether Great Britain is showing symptoms of decay.

Although down to the crash of 1890, when the Barings fell, Great Britain appeared to perform her accustomed office with ease, signs were not wanting that a change had previously set in. The onward movement of civilization is as automatic and resistless as any other process of nature, and may, perhaps, be aptly compared to the path of a cyclone, whose highest velocity is attained within the central vortex, the tendency toward calm increasing in proportion to the distance from the point of disturbance. The moment the vortex advances, the agitation at the spot from whence it departed begins to subside, until complete tranquillity, or even death, supervenes. For example, the vortex of civilization reached London from the banks of the Tigris, by way of Constantinople, Venice, Antwerp, and Amsterdam. Amsterdam and Antwerp are calm, Venice and Constantinople are torpid, while Ctesiphon, on the Tigris, is a ruin in a desert. Accordingly one method of determining whether the world's capital is in movement or at rest, is to ascertain whether

the population of the country of its apparent domicile maintains its activity relatively to rivals, or whether it tends to become lethargic. The present purpose is to apply this test to Great Britain, and formulate the result obtained.

During the first portion of this century the Englishman stood forth as the personification of energy. In war, in commerce, in intellectual activity, in industry, in invention, he challenged all comers, and, on the whole, surpassed all opponents. Perhaps no purely literary period in any nation in modern times has been more splendid than that which began with Burns and Scott, and ended with Newman, Macaulay, and Dickens. Of the English railroad and the English colony it is unnecessary to speak, and for many years English manufactures met with no competition. The English navy and army made their record at Trafalgar and Waterloo.

Nearly a generation ago, however, and about the moment when Germany began to rise in economic importance after the overthrow of France, men began to notice that the English were losing their initiative. For example, for



more than two decades contractors have complained, with growing vehemence, that English firms were dilatory, and that Englishmen would seldom leave their dinners or their sport for business.

The next phenomenon that attracted attention was that Germans and Americans, who were more diligent, succeeded where Englishmen failed; that, for instance, Americans found no difficulty in making the island of Jamaica profitable, after its owners had given it up as hopeless. Long since, the casual German and American tourist has habitually noticed the slackness of London tradesmen, and the amount of time given to amusement. Shops open late and close early, nothing is done on Saturday, and on Monday labour is apt to be demoralized, the inference being that somebody must lose in proportion to the loss of time. Nevertheless, such observations were not taken very seriously, and are now only noteworthy in the light of recent experience. The first real shock to confidence came with the failure of British agriculture, and with the long series of consequences which followed therefrom.

After the war of 1870, Germany demonetized silver, and a contraction of the currency followed which depressed prices universally, but especially those of agricultural products. On account of an inferior railway system, which has never been modernized, of an expensive tenure of land, and an intellectual inelasticity in respect to habits, English farmers proved unable to cope with this situation; estates went out of cultivation, and the United Kingdom, for its chief supplies of food, became dependent on foreign countries. Had this been all, the result might not have been serious; for had the decline in agriculture been compensated by an advance in industries, the loss in one direction might have been balanced by gain in another; but such was not the case. At the very moment when agriculture collapsed, the productive energy of the people showed symptoms of decay. The ratio of exports to the individual has never since stood so high as in the early seventies, while on the other hand the tendency toward increasing extravagance has been marked.<sup>1</sup>

<sup>1</sup> See on this subject the statistics in "England's Decadence in the West Indies," pp. 71, 72, 73.

Even in the Middle Ages the English were famous for high-living, and this failing has not waned with time. The average consumption of beer to the individual, for instance, grows at the rate of one per cent per year, yet no one can have glanced at Dickens's novels and not have noticed the inordinate part which drinking must have played in English life sixty years ago. In short, the British, as a nation, are wasteful and profuse. Americans are not frugal, and still the returns of the savings banks of the United Kingdom, in 1898, showed that the economies of England, Scotland, and Ireland only exceeded those of the state of New York by about \$68,000,000, while the totals represented an average accumulation of \$136 for Americans, as against \$23.60 for British subjects.<sup>1</sup>

The effect of this lavish outlay for indulgences has been to cause the value of English imports to gain on the value of exports, until the annual adverse balance approximates \$800,000,000, and to meet this enormous deficit a liquidation of foreign investments has

<sup>1</sup> For the purpose of comparison both populations are taken at the figures for 1890.

apparently been long in progress. Few unprejudiced observers have ever doubted that much of the financial stringency which prostrated Argentina, Australia, and America between 1890 and 1897 originated in the withdrawal of English capital, a withdrawal which, so far as America is concerned, has not been checked by the return of prosperity, but promises to continue until the fund is exhausted.

Long after foreigners had begun to ponder these matters, Englishmen treated them with contempt. Recently, notwithstanding, their self-complacency seems to have been ruffled, for Mr. Giffen has published a very long pamphlet, to demonstrate that an apparently overwhelming deficit is the surest sign of rising opulence. However this may be, statistics alone carry little weight, for they can be twisted to prove anything; the chief value of statistics lies in their aptitude to explain accepted facts. Possibly England may be growing rich; France is richer now than in 1870, and yet France is declining. In human affairs all is relative.

Turning from commerce to literature, edu-



cation, transportation, or industry, the same suggestive slackness will be found to prevail. This generation has produced little of high literary excellence; even political economy, which, since the days of Adam Smith, has been the chosen field of Great Britain, has proved barren. Thought in London still smacks of Cobden and a former generation, and Bagehot, perhaps, was the last suggestive writer who dealt with these subjects. Furthermore, no one acquainted with the two systems would compare English with German schools, any more than students would measure English critical scholarship by the Continental standard. The proof is that few foreigners, who are in earnest, frequent Oxford or Cambridge, while Vienna, Berlin, and Paris are thronged.

In the matter of transportation it is notorious that the British railways stand substantially where they did twenty years ago, while the advances in America have been bewildering; and no one doubts that Carnegie could undersell every iron concern in the United Kingdom if so disposed. Strangest of all is the mental inertia which

prevents the Englishman from comprehending the world about him. He still looks on American competition as an accident, he still regards his railways as the best, he is still pleased with the results attained at his universities, he is satisfied with the place he holds; he does not care to change. He fails to perceive that beyond the boundaries of Great Britain the methods of organization and administration have altered throughout the world, while within they tend to fixity.

Approached from this standpoint the Boer War merits an attention it has not received, for its bearing on the whole future relations of the world cannot be overestimated. Moreover, the time has now come when it can be treated as a thing of the past, and its events can be analyzed calmly.

At the outset it must be premised that morality lies entirely beyond the scope of this inquiry. The justice or injustice of the war conducted by the United Kingdom is immaterial. The present investigation is directed simply toward establishing, if possible, the force which propelled England in the direction of an inevitable collision, and also toward

measuring the amount of energy developed by her at the point of impact. It is a problem in dynamics.

The Boers, a sluggish, primitive people, for years retreated before the advancing British until they entered the inhospitable region north of the river Vaal, which offered no inducement to colonization. Nevertheless friction continued between the neighbouring communities, and in 1877 the English annexed the whole district. Subsequently the Boers revolted, and, in consequence of their revolt, Great Britain conceded them substantial independence, simply because the value of the Transvaal did not justify the cost of conquest. Convinced of this fact, Mr. Gladstone declined to allow himself to be goaded into war by the humiliation of Majuba Hill in 1881, and there is no ground for supposing that Mr. Gladstone's policy would not have been the policy of all subsequent cabinets, had not the discovery of gold in 1884 revolutionized the aspect of South Africa. That event proved decisive, for from the moment that great properties became developed at Johannesburg an unceasing dispute raged over the

division of profits between the capitalists, at whose head stood Cecil Rhodes, and the Boers, represented by Mr. Kruger. At length the former decided that it would be cheaper to subdue the Dutch republic than to pay the taxes and submit to the restrictions on industry imposed by, what they considered, a feeble and retrograde government.

In this conclusion Rhodes was justified by all the evidence, at the time, obtainable, and he was also justified in attempting the task alone, since he had effective support within the British Cabinet, and permission to use British officers to command his expedition.

Indeed, nothing looked simpler than the conquest of this petty state, and to-day, save the impediment of distance and the cost of supplies, no serious obstacle appears to have hindered the invasion. The Boers are brave and hardy, and doubtless would make good soldiers were they well organized and led; actually they are a handful of peasants, and they have the strength and weakness of peasants. They can ride fast from point to point, and defend themselves well, if not too sharply attacked, but they



are without cohesion, initiative, or invention. They cannot advance and they cannot concentrate. All this was well known in 1895, and influenced by such knowledge Cecil Rhodes conceived his famous raid. In his scheme he certainly had the support and approval of influential members of Lord Salisbury's government. The evidence on this point is conclusive. In the first place, so extensive a plot could hardly have escaped the knowledge of the authorities, especially as Rhodes was prime minister of the colony; in the second, Jameson's force was led by British officers, some high in rank, who escaped punishment for so serious a crime; lastly, Mr. Chamberlain has always acted as Rhodes's attorney. Chamberlain not only organized a parliamentary committee to smother inquiry, but he vouched for Rhodes's character, continued him in the Privy Council, and actually prevented any compensation being paid for the damages done the Boers during the invasion. Most significant of all, this last year, when accused of participation in the raid, and when the reputation of England for integrity, to say nothing of his own, hung in

the balance, when he had everything to gain and nothing to lose by proving himself innocent, he resolutely insisted on silence.

His course will bear but one interpretation, and is chiefly interesting as showing the early date at which the interests he represented acquired control of the Government. From long before the Jameson raid, it appears certain that the resolution had been formed to dominate the Transvaal; peaceably if possible, forcibly if necessary.

In the light of Mr. Balfour's famous speeches at Manchester last January, it seems futile to go into the evidence to disprove the theory that the grievances of British subjects at Johannesburg caused the war. The chief of these grievances was the alleged denial of the franchise; but the franchise was conceded in vain. However, on this point it may suffice to quote from the *Economist*, which, however it may stand as to ability, is certainly both conservative and honest.

"In the first place, Mr. Balfour practically declares that the Government misled the Boers; and in the second place, that it misled the British people. Let us quote his own

words: 'If you consider,' said he, 'as I had to consider, the balance of competent opinion upon the South African question, while few men were rash enough to hazard the prophecy that the South African question would ultimately culminate in war, for the present, at all events, the probability was that we should obtain such rights for the Outlanders in the Transvaal as should at least tide over the present year and the present difficulty until perhaps some period arrived when . . . it might suit the Boer leaders to precipitate a struggle from which they hope . . . to reap . . . advantage.' We read this sentence with amazement. Who does not recall the Bloemfontein Conference, at which it was distinctly laid down by Sir Alfred Milner, representing the British Government, that the franchise question was the sole key to the situation? . . . "The public knows how the Transvaal conceded all that Sir Alfred Milner asked for, on the understanding that its own autonomy was not disputed or interfered with; and, according to Mr. Chamberlain, it was only due to a 'misunderstanding' that that arrangement was not made the basis of peace. But now Mr. Balfour

tells us in effect that the Government was not serious in its alleged belief that the franchise question was at the basis of the controversy. The franchise was a *ballon d'essai*; it was used as a mere instrument of controversy, the Government believing that it would tide things over for a year, and that then the inevitable war would break out. The Boers have not had much reason to appraise our diplomatic methods at a high value, but they will assuredly have even less after this extraordinary confession of Mr. Balfour.”<sup>1</sup>

Evidently a sentimental enthusiasm, prevailing among the constituents of Lord Salisbury's colleagues in the Cabinet, to undertake a crusade in behalf of suffering Englishmen in the antipodes, was not the force which precipitated hostilities. If that force is to be discovered, it must be sought deep down in the very bowels of English society; it will then be found to have been generated by the pressure of the struggle for existence, a pressure which is the origin of all great movements among human beings.

Probably for two decades prior to 1899

<sup>1</sup> The *Economist*, January 13, 1900, p. 34.



Great Britain had not been upon a paying basis; her investments had been unfortunate, and her enormous adverse trade balance had eaten into her surplus accumulations. Each year the need of gold to pay creditors had grown more pressing, until at length, unconsciously to herself, and to Europe at large, the United Kingdom had drifted into a position similar to that of Spain in the early sixteenth century, when Spain, stimulated by precisely the same need for gold, exhausted first Mexico and Peru, and finally Flanders.

Before 1880 the English gentry invested their means very largely either in native farming land, or in American or Australian securities. When the rent of land fell off in 1879, economy became imperative, but prodigality is not confined to any rank in English life: the aristocracy are as disinclined to self-denial as the proletariat; and, after an interval, realization of capital began. By 1886 the limit of endurance seems to have been reached, for the liquidation of loans then attained large proportions, as is indicated by the liberal remittance of gold to the United Kingdom, at the very moment when exports of merchandise

were declining and imports were increasing. Then came the great period of insolvency between 1890 and 1894, in Argentina, Australia, and America, during which many hundred millions of the best paying property owned by Englishmen, passed out of existence. Accordingly, about the time the South African mines acquired celebrity, a large portion of the influential classes were in straits to pay their debts, as the scandals which arose relative to the use of famous names in promoting questionable companies sufficiently proved. Under such conditions Cecil Rhodes and his fellow-operators experienced little difficulty in obtaining complete control of fashionable society, both in and out of Parliament, while the City had plunged deeply in mining stocks. Therefore Court, Parliament, and City alike burned to boom "Kaffirs," and nothing appeared to hinder an unexampled boom but a handful of Dutch peasants in the heart of Africa. London dreamed that, under English government, dividends would be doubled.

The interests represented by Rhodes and Chamberlain anticipated rapid and cheap success, nor was such an anticipation unreason-

able. The whole power of what was then supposed to be a highly military and perfectly administered empire, stood pitted against thirty or forty thousand unorganized peasants, without cavalry, or field artillery, or trained officers. For fourteen years, ever since the campaign for the relief of Gordon at Khartoum, successive cabinets had pressed military reorganization, until all that British talent could do had been done, and officials had pronounced the imperial army, for its size, to be, perhaps, the most formidable force in existence. German officers have always expressed their incredulity, but outside the German staff few, a year ago, suspected the truth.

Viewed apart from prejudice, the performance of the British in Africa hardly compares favourably with that of France in 1870. Perhaps in want of foresight and incapacity of officers the two countries may not have been unequal; but in actual conduct in the field the French probably showed themselves the superior. Attack has usually been considered the strong point of the British, and all the evidence goes to show that during the campaign the British soldiers have not made a determined

onset. Nor can there be a question as to the criterion of resolute fighting. In the time of Frederic the Great no commander felt justified in abandoning an assault until he had sacrificed from a quarter to a third of the assaulting column, and this ratio has remained the standard down to the present day. At Bunker Hill the British lost 1050 out of a total of 3000. At Waterloo Wellington lost 6932 English out of a total of 23,990; at Plevna out of 75,000 infantry present, and 60,000 actually engaged, more than 18,000 were killed or wounded, and the Comte de Paris calculated that at Gettysburg 27 per cent of the Federal and 36 per cent of the Confederate army fell, while among the Confederates were 17 generals. Positions cannot be carried without bloodshed, but from such slaughter as marked the battles of our Civil War the modern Englishman appears to recoil.

War is the last and most crucial test of a nation's energy, and from the days of Cressy to those of Trafalgar, the English yielded to none in ferocity and obstinacy on the field of battle. The South African campaign has, on the contrary, throughout, been marked by inertia and feebleness.



Not to speak of the numerous surrenders of large detachments to inferior numbers under conditions which indicated panic, the pitched battles furnish material for reflection. Repulses have been so frequent that the British have accepted them as demonstrating a principle of warfare, and are now convinced that, under modern conditions, an attack in front upon the entrenchments of a resolute enemy is impracticable. And yet it may be doubted whether the British in a single case of supposed repulse have delivered a determined assault, or indeed any assault at all. The three most celebrated examples of such defeats were Gatacre's reverse at Stormberg, Methuen's at Magersfontein, and Buller's at Colenso. On each of these occasions the commanding general formed his men in solid columns and, without reconnoitring the enemy, or in any way ascertaining his exact position, marched in the direction in which the Boers were known to lie until his troops came within point-blank range. On receiving a volley or two, some men fell, though the loss has seldom been large, and then the assaulting force has been withdrawn.

At Stormberg Gatacre approached within

a hundred and fifty yards of the Boer trenches. There the leading battalions were surprised by a cross-fire. No attack followed; on the contrary, the commanders barely succeeded in averting complete rout, a retreat being only finally effected through the steadiness of the artillery and the inertia of the enemy. Out of 2500 men engaged no more than 81 were killed or wounded, but 500 surrendered.

At Magersfontein Methuen adopted similar tactics with identical results. The Highland Brigade marched in dense masses close to the enemy's works, received their volleys at short range, suffered severely, broke, and fled; after that it only became a question of how to withdraw. Nevertheless the loss of the entire army was light. Methuen commanded upwards of 12,000 troops, most of whom appear to have been in action; of these, 963 were reported killed or wounded — about 8 per cent.

The battle of Colenso merits an especial study, not only as the most important combat of the South African campaign, but because the British have accepted it as a final demonstration of their theory regarding the impossibility of attacks in front. That the difficulty



THE BATTLE OF COLENSO





of such attacks may be increased by modern firearms is here immaterial, as is also the incident of victory or defeat. The only matter in issue is whether, on December 15, 1899, the British seriously tried the Boer works at all; if they did not, and yet are persuaded that they did, the fact goes far to indicate a decline in the standard of military energy. At the outset, it may be accepted as certain that the British public and the British army are both convinced that exceedingly bloody and desperate fighting has taken place in South Africa, and that the action at Colenso was one of those most stubbornly disputed. Individual officers have been criticised for errors of judgment, but the conduct of the army as a whole has been regarded as beyond reproach. Colenso may very well serve, therefore, as a standard of comparison with the effort other modern nations exact of soldiers.

According to the *London Times*, of December 18, 1899, Buller had under his command the following forces, exclusive of the garrison of Ladysmith. Nineteen and one-half battalions of infantry, numbering 17,500 men; two regiments of cavalry; seven batteries of

Royal Artillery; six naval guns (he had really fourteen naval guns), beside upwards of 4000 mounted infantry and colonials. Accepting this estimate as correct, Buller led, approximately, 24,000 soldiers of all arms, when, to use his own words, he moved forward "in full force," on the 15th of December. Allowing, however, for depletion of the ranks from sickness and details for special duty, it may be safer to set the total ready for action on the 15th at two-thirds this number, or 16,000 men.

Buller formed his army in three divisions, assigning to each division a separate point of attack. General Hart's brigade, supported by artillery and cavalry, formed the left. Hart had orders to cross the Tugela, two miles and a half west of Colenso, and afterward move along its northern bank in the direction of Fort Wylie, which lay to the east of the town. The main attack, to be made upon the heights, opposite Colenso to the north of the river, was confided to General Hildyard. Buller directed Hildyard, whose brigade formed the centre, after reaching Colenso, to cross by a bridge leading westward, and then proceed to storm the trenches on the rising ground beyond.

Some distance to the right and to the south of the river lay Hlangwane Hill, enfilading the fortifications to be stormed by Hildyard, and forming the key to the Boer position. A feeble detachment of Dutch, only 800 strong, garrisoned this hill, a detachment drawn out so thin that the Boers afterward admitted it could not have resisted a determined enemy. Buller sent Lord Dundonald with a body of mounted infantry against this important point. Two brigades were held in reserve; both, however, came into action later in the day.

At six in the morning, without throwing out skirmishers, or seeking in any way to feel the enemy, Hart formed his battalions in quarter columns, or, in other words, in masses, and marched forward. He marched until he came within range of certain Boer trenches, when, to his surprise, the Boers opened on him. At first he suffered little, and his leading battalions presently deployed, but the brigade delivered no assault, nor indeed succeeded in crossing the river. Before long it was withdrawn. As usually happens, the retreat proved more fatal than the advance, and it was

here that relatively the heaviest loss of the day occurred, 91 being killed, and 382 wounded, probably about 9 per cent of the command. Beside these, 60 were taken prisoners.

It must be remarked that this reverse occurred, not in the forward movement which had been contemplated against hostile trenches, but in an ambush, into which the British fell through incompetence, and from which they escaped without any attempt to dislodge the enemy from his position.

Much the same experience awaited Hildyard. Like Hart he reached the river easily enough, but, before he crossed, a disaster to the artillery away upon his right decided the day. A growth of brush screened the south bank of the Tugela toward Hlangwane Hill. No one reconnoitred this brush, though it was evidently capable of concealing rifle-pits; on the contrary, two batteries of artillery galloped within 700 yards of its border to shell Fort Wylie. It chanced that the Boers occupied this cover, and when the British approached, they opened on them as on the left they had opened on Hart. Nevertheless, at first their fire proved ineffective, for the Brit-



ish gunners continued their bombardment for nearly an hour until they had exhausted their ammunition, and then hid in a dry ditch at their rear to await a fresh supply. At this juncture General Buller came upon the ground, and, perceiving the hazardous position of the guns, directed their removal. In obedience to this command, the men and horses left their shelter, but, in trying to limber, a number of both were killed, and all but two of the guns were abandoned. Then, instead of clearing the brush, or pressing his attack on the heights across the river, Buller caused Hildyard to withdraw, presumably because his brigade could not endure the ordeal to which it was subjected. Yet the loss was insignificant. The storming column which fell back under the enemy's fire had 13 killed, 188 wounded, and 32 prisoners, or, at a liberal estimate, five per cent of the force engaged inclusive of those who surrendered.

Lord Dundonald hardly did so well as Hildyard. He approached Hlangwane Hill, it is true, but, on coming within range, his men, thinking themselves outflanked, lay down for shelter, and two hours elapsed before the Boers

would permit them to rise to obey the order to retreat.

Buller's casualties amounted to 1114, of whom 348 were prisoners. To put the figures in the usual form, he lost 7 per cent of the force engaged, but less than 5 per cent in killed and wounded. France may have betrayed weakness in 1870, but, until the destruction of her army at Sedan, never such weakness as this.

At Gravelotte, Bazaine brought 120,000 troops into action, holding 35,000 in reserve. He lost 14,795, about 10 per cent of the whole army, and above 12 per cent of those contingents actually under fire. At Vionville the French numbered 138,000; they lost 879 officers and 16,128 men killed and wounded, again over 12 per cent. At Sedan, out of 140,000 soldiers engaged, 17,000 were killed and wounded, still 12 per cent.

Each of these actions indicates double the energy of the British at Colenso, nor was it until the French were reduced to militia as in the sorties from Paris, that their casualties fell to the ratios of the late war. Such was the performance of a people whom the English them-

selves have judged, because of their military disasters, to be far advanced toward decay; but when it comes to compare the campaigns of Methuen, Buller, or Roberts, who failed to carry Cronje's camp though outnumbering the adversary ten to one, with the famous onslaughts of recent times, the disparity is startling.

At Vionville, out of 67,000 Germans actually engaged, 16,000, or approximately 25 per cent, fell. In the great assault at Plevna, Skobelev led about 18,000 men against the Turkish redoubts; of these he lost above 8000, or 45 per cent. And many years have not elapsed since the Comte de Paris wrote thus of Pickett's advance at Gettysburg with his division of Virginians: "Of 18 superior officers and 4 generals, Pickett and one lieutenant-colonel alone remain unscathed. Of 4800 men who followed Pickett . . . 3500 were sacrificed . . . in that fatal charge."<sup>1</sup>

Comment is superfluous. The causes which have shaped the course of the British campaign in Africa are apparent; and yet the military reverses which have been sustained

<sup>1</sup> *Histoire de la Guerre civile en Amérique*, 6, 464, 5.

are the least impressive aspect of this phenomenon. All armies occasionally meet defeat, none ever maintain an uniform standard of excellence, but seldom before has a great nation accepted with complacency such battles as Colenso as the measure of her soldiers' prowess.

Significantly enough the heaviest losses suffered have been through prisoners captured in routs like Nicholson's Nek, where troops have surrendered after so slight a resistance as to indicate an inferior stamina among the men. Lord Roberts, himself, has intimated that the retreat from Spion's Kop savoured of something more questionable than an error of judgment, and Methuen's attempt to relieve Kimberley is one of the most extraordinary military operations on record.

Some 5000 Boers appear to have held the Spytfontein hills between the garrison of Kimberley of about 4000, and Methuen's army numbering at least 12,000 at the time of his repulse and constantly reinforced afterward. Yet Methuen, though more than thrice as strong as his enemy, lay for two months passive, with a level approach to the town



open before him; an approach as practicable, so far as is known, in December, as in February, when Roberts marched along it unopposed. Certainly Rhodes judged it to be so, and stated his opinion bluntly in the famous despatch which nearly caused his arrest: "Your troops have been for more than two months within a distance of a little over twenty miles from Kimberley, and if the Spytfontein hills are too strong for them, there is an easy approach over a level flat." Roberts himself did not dare to advance against this petty detachment of Boers until he had collected 50,000 men; and there is something startling in the passionate exultation with which London received the news that 4500 Dutch peasants had surrendered, through lack of supplies, to 45,000 imperial troops, after having victoriously defied their onset for a week in the open field.

In justification of their failure the English have maintained that modern weapons have made the attack in front impossible. Possibly this may be a correct judgment in regard to the British army as at present organized, but it certainly was not true of the American army

at Santiago, where the assaulting column had, probably, to say the least of it, as many difficulties to overcome as Buller faced at Colenso. The Americans were practically without artillery. Our Spanish War was not remarkably ferocious. Americans would be the last to compare it with the campaigns of the Wilderness or of Vicksburg, and yet the fighting in Cuba was much more severe than in Africa. At El Caney and San Juan the Spanish lines were carried by assault with a loss of about 12 per cent of the entire army engaged; the Spanish at El Caney leaving more than one-half of their men dead in the trenches. The Boers have never defended themselves like this. On the contrary, they have always retired when the fire became deadly. They have never taken the offensive. They have never struck at their adversaries' rear; they have never seriously interfered with his communications; they have never destroyed their own railroads as they fell back; they have never laid waste the country; they have never shown a disposition to die in the last ditch. In the Civil War, South Carolina lost over 23 per cent of her entire military population, killed

in battle, excluding those who died by disease or were crippled. Had the British been fought with the same determination, and had they had to deal with a foe as fierce and active as Stonewall Jackson's southerners, their position would have been precarious even had they called forth all the energy of which the empire seems to-day to be capable.

Viewed as a whole, the campaign in South Africa tends to confirm the German view, that English officers are incompetent because they are lazy and idle, and therefore ignorant; and that the English administration is antiquated, sluggish, and corrupt.

Nor in drawing a parallel between England in 1899 and France in 1870 must the capital consideration be omitted that, though after the Mexican expedition the condition of the French army was admitted to be unsatisfactory, no attempt, before the German War, had been made at reorganization. Almost the opposite was the case in England. In 1899 the British army represented the final result of fourteen years of continuous effort by the best administrative ability at the disposal of the Government. More particularly, ever

since the Jameson raid in 1896, attention had been given to preparations for an invasion of the Transvaal. The result of this long period of incubation has been schools of strategy where General Buller has been accepted as an authority, a frontier defended by fortresses placed in disadvantageous positions and insufficiently supplied, and a staff without maps, and incapable of formulating a plan of campaign. The inexplicable weakness of these fortresses is, perhaps, one of the most astonishing developments of modern times. Had they been moderately well placed, armed, and victualled, they might have been left to themselves, and troops might have been pushed forward toward Pretoria, through an easy country. Actually months were lost in futile attempts to relieve places which should never have been in danger.

The army itself presented a sorry spectacle. Without transportation adequate for rapid concentration, without competent officers or approved weapons, without proper clothing, medical supplies, or beasts of burden, without training in the most important part of the soldier's duty in the field, it would have lain



at the mercy of an energetic and disciplined foe. The French committed as serious errors at Metz or at Sedan, but their losses in battle showed more tenacity in fight. Their true misfortune lay in having to face Germany.

Nevertheless, England's military reverses, however serious, are not the phenomenon which to-day suggests most strongly a decaying vitality, but rather that intellectual torpor which has been already mentioned, and which seems to have become characteristic of her later civilization.

As in regard to their schools, their factories, their railways, and their trade, Englishmen apparently feel no serious anxiety regarding their army; that is to say, no anxiety keen enough to stimulate a reform as drastic as that instituted by France.

In truth, the disease lies at the core of British society, and until that society is itself modified, the present standards must prevail. For example, English officers must be content to work as hard as German officers, and undergo as rigid a training; and English soldiers must be recruited from as high a class of the population as German soldiers, before the English

army can hope to cope in action with such an adversary as Germany. The proposals submitted to Parliament recently by the Cabinet were trivial, but they are perhaps all that public opinion will support.

Noteworthy, however, as has been the campaign, the finance to which it has given rise is even more impressive. At the outset the Chancellor of the Exchequer assured the Commons that no cash and \$50,000,000 in credit sufficed for a war involving the transport of 70,000 soldiers to Cape Town, and the subsequent march of this force through a hostile country to Pretoria. Mr. Balfour afterward defended this policy by saying that he knew Parliament well enough to understand that if the truth had been told, the representatives of the people would have preferred to keep the peace.

"Supposing we had come to Parliament in the middle of August and said, 'We want you to vote us immense supplementary estimates for the provision of immediate transport in South Africa; we want you to call out the reserves, we want you to embody the militia,' — what would have been the reply. . . . 'The proposals you make to us are inconvenient and they are costly.'"<sup>1</sup>

<sup>1</sup> *Times*, January 9, 1900.

As the *Economist* of January 13 observed:—

“If there is any meaning in these words, it is that the Government was misleading the House and the country, as it was misleading the Transvaal.”<sup>1</sup>

The financiering of the Boer War was based on a theory as antiquated and as tenaciously held as that of the Manchester School of political economy; a theory which subsequent events have exploded. Sir Michael Hicks-Beach assumed that, the United Kingdom being the chief creditor nation of the world, the government of that nation had only to call upon its debtors, through its agent, the Bank of England, to have its coffers filled to overflowing with gold. His error lay in the fact that such conditions had vanished as completely as the supremacy of the British textiles and steel.

For nearly twenty years Great Britain has been liquidating her loans, until now little remains which can be readily turned into cash. Since the failure of agriculture in 1879, and the consequent steady drain on the United Kingdom to pay its bills for food, it

<sup>1</sup> The *Economist*, January 13, 1900, p. 34.

has grown each year more difficult to maintain satisfactory gold balances at London. The tendency is always toward the exhaustion of the Bank reserve, and this exhaustion, creating a pressure throughout society, has generated that craving for gold which has lain at the basis of the onslaught on the Boers.

Nothing is easier than to cavil at these inferences, or, as Mr. Giffen prefers to do, ignore them. Yet certain stubborn facts always remain to be explained away. It is clear that the Bank reserve is maintained with difficulty, especially toward the New Year, and it is also clear that, instead of bullion flowing naturally toward Lombard Street as it should to a creditor during periods of settlement, bullion tends to flow away. Last year this season of strain came early and stayed late. In the first week of October the efflux from the Bank reached £1,899,778, and the reserve sank to £20,651,000. That is to say, when the invasion of Natal began, the Bank could spare no cash, and the Government had collected no hoard to fall back on. Therefore, in order not to precipitate a panic, all possible economies had to be practised, and all payments



had to be carried over Christmas. Hence, probably, that prolonged delay in shipping troops which, if the Boers had been energetic and cohesive, might have endangered Cape Colony.

Notwithstanding all palliatives the inevitable crisis came. In December Buller's repulse on the Tugela started an incipient panic, and Lombard Street, as had always been its wont, turned toward New York for funds. In 1890, when the Barings failed, Lombard Street had drawn on Wall Street without stint, and had relieved her necessities. Last December the same measure was tried again. All the securities which Europe could gather were cast upon the market, but though prices broke, gold remained below the exporting point and recourse had to be had to loans. The correspondent of the *London Economist* thus explained the situation:—

“When confronted with a serious crisis in November, 1890, London turned in its embarrassment to its largest solvent debtor. American exports of merchandise had exceeded imports by only \$61,000,000 in the four years preceding the Baring crash, against which was a foreign purchase of American securities and credits of perhaps \$1,000,000,000 in the previous decade. Acting as a private

creditor would, London, in the years following 1890, demanded settlement of America. The capital which New York had borrowed from Europe had been invested chiefly in the West, and in order to settle with Europe it was necessary for the East to recall its advances from the West. The latter found it impossible to pay promptly, and trouble followed. Nine years later London is again embarrassed. . . . The difficulty follows an excess of American exports in the four years preceding, of \$1,500,000,000. In the same period Europe has sold back to New York a sum of American securities about equal to the amount it purchased in the decade prior to November, 1890.”<sup>1</sup>

The article then went on to state that London was bare of American securities, and that whereas “in 1891 the Bank of England could draw gold from New York” in forced settlement, now it is borrowing both our capital and our gold.

Precisely what happened in London after Colenso cannot, of course, be proved by official evidence, but common report is somewhat as follows: A run on the Bank was threatened, and application, directly or indirectly, was made without success on all sides for assistance, even to Russia. Then came an effort to contract loans.

<sup>1</sup> *Economist*, January 6, 1900, p. 12.

In England loans are usually negotiated by bill-brokers, who are allowed credit at the Bank in proportion to their standing. To the extent of this credit the bill-brokers can accommodate their customers, but if the credit is withdrawn they are nearly helpless. When, after Colenso, the Bank reserve fell to about £17,300,000, the Bank directors are said to have been frightened, and, beside restricting their own advances as much as possible, are reported to have notified the bill-brokers that their credits would be closed. After consideration the heads of these firms are believed to have replied that if so, they could no longer discount for their customers, and thus all provincial England would be paralyzed. The moment had come for determining where the world's financial capital lay. Recoiling from such an extremity, the directors once more turned to foreigners, saying in substance to the bankers of Berlin and New York, "You cannot afford to let us suspend, therefore you must carry us over the New Year."

The British thus broke down even more signally in their finance than in their campaign, but in judging that organized capital

would not permit a collapse of credit they were right. London had to be sustained; but it was found on trial that America was the only country strong enough to bear the load, and New York the only city where gold could be had. Accordingly, though the rates of exchange indicated a loss on the transaction, specie enough was shipped to carry the Bank of England over the first of January, while all settlements were postponed for sixty days.<sup>1</sup>

The same borrowing, only probably on a larger scale, was repeated in May and June, and the second War Loan had to be negotiated mainly in the United States in order to draw gold to London. Such facts suggest a comparison between the financial position of Great Britain in 1900 and that of France in 1871.

In the summer of 1900 Great Britain brings

<sup>1</sup> The gold exporting point is about \$4.89. During December, 1899, and January, 1900, about \$16,000,000 were shipped. During December the highest rate for sixty days' exchange was \$4.84½; during January, \$4.85. Demand touched \$4.89 but twice during the two months. The situation differed from the panic of 1890, when France advanced funds. That was a surprise. Repayment was rapid. Here resources failed, for borrowing continued.



to an end a petty war, in a distant land, against a pitiful adversary. To pay for this war two small loans have been negotiated, together hardly exceeding \$200,000,000, a sum which should be insignificant not only for the greatest financial power of the world, but for any considerable nation. Yet to pay these loans in cash, without a convulsion, proved beyond the ability of the United Kingdom, and she has had to seek aid abroad. Although the market had been sedulously prepared by the Bank, and every indulgence had been given the subscribers, the first loan of \$150,000,000 turned out indigestible, and forced down the price of Consols 10 per cent. In July, 1899, the new  $2\frac{3}{4}$  per cents sold at  $107\frac{1}{2}$ ; in July, 1900, at  $97\frac{1}{4}$ . More money could not be had upon the same terms, and the reason why is obvious. In England the mass of the people have little laid by; they squander their incomes as they go. In France and America men accumulate.

In 1871 France emerged from, perhaps, the costliest European war of the century. She had been invaded, devastated, dismembered. A domestic insurrection had been suppressed amidst oceans of blood, and Paris had for

months been the theatre of violence and pillage. Yet such was the financial solidity of France that she easily raised the war indemnity of \$1,000,000,000, beside all the other vast sums needed to discharge her debts, out of the savings of her peasants.

Herein the weakness of England lies exposed. The energy which once made the nation supreme in industry and war has declined, and has not been replaced by thrift. Even yet the expenses of the war have not been adjusted. These expenses are excessive compared to the value of the property involved. What the invasion of the Transvaal has cost nobody outside official circles knows, but a rough estimate may be formed. The Spanish War cost the United States about \$10,000,000 weekly, and this is the amount reckoned on by the *Economist* as the probable outlay of England. On its face it appears inadequate, for the United States had, by comparison, little to do; few troops to send abroad, and no elaborate operations in the field. The British have transported 250,000 soldiers to the heart of Africa, and have maintained them there in the dead of

winter, with imperfect railway communications, and at an unparalleled sacrifice of animal life. However, let the figure stand at \$10,000,000 a week. Counting active hostilities at only forty weeks, and adding to this the loss by closing the gold mines for a year, and the diamond mines for some months, together with claims for damages to the property of loyal citizens in Cape Colony, and adding also the charge for a permanent garrison and the return of the troops, and a total is reached that must largely exceed \$500,000,000.

Against this must be set the enhanced value of the mines. At the outbreak of hostilities the financial journals calculated that British subjects owned something less than half the stock of these properties. The output from the Transvaal has never quite reached £20,000,000 annually. Assuming, of this £20,000,000, 25 per cent to be net profit, Great Britain's yearly dividend would be £2,500,000, or \$12,500,000. Hammond, the manager, estimated the benefit of English government at near \$25,000,000 annually, but an error in his figures<sup>1</sup> seems to reduce this sum to \$12,500,000, half going

<sup>1</sup> See *Economist* of Nov. 11, 1899, page 1597.

abroad. Three per cent on \$500,000,000 is \$15,000,000, which is the burden incurred by the war. It is difficult to see how the nation can be eased by such a speculation, or how the recurrence of stringency in Lombard Street in December can be alleviated thereby.

If the facts here passed in review have been stated without undue distortion, but one inference can be drawn therefrom. If it be true that a relative relaxation of vigour can be traced in Great Britain, alike in private and public affairs; if a comparative subsidence of energy can be noted in the workshop and the counting-house, in the university and Parliament; if it be established that after fifteen years of labour the army remains what it has proved itself this year; if the British attack of 1900 is to the British attack of 1800 as Buller's assault on Spion Kop is to Wellington's advance at Waterloo; if it be admitted that the Salisbury administration, though discredited at home and abroad, and smirched with sinister scandals, retains office because the nation lacks vitality to replace it,—the symptoms admit of but one explanation. Na-



ture seldom retraces her steps; Great Britain must already lie in the wake of the social cyclone.

Nor is it wonderful that England should show signs of age, for the march of civilization is constant, and the seat of empire has seldom tarried in one city more than a century, before indications of displacement have appeared. Just three generations ago England conquered her supremacy at Trafalgar, and since then she has passed through the final stages of development. By 1840 the last remnants of her old free agricultural population were passing away, a population which has usually furnished the fountain of vitality to every rising race; for a hundred years emigration has drained her of her most active blood, which has gone never to return; hence her efforts in the future can hardly be expected to equal those of the past, and society must be prepared to face the loosening of the bond which, from beyond the limit of human memory, has been the containing power of the world.

On looking back through the history of the century, no one can fail to appreciate the part played by England. It was she who deter-

mined the fate of the modern world at Trafalgar and Waterloo; it was she who checked the aggressions of Russia in Turkey and in the East; it was she who bridled the ambitions of Germany; it was she who rendered abortive the coalition forming against the United States at the outbreak of the war with Spain. In inventions, in industries, in political institutions, in scientific theories, even in social fashions, all Europe has taken her as a model. Americans, in particular, have relied on her to police the globe and keep distant markets open, allowing them to sit at home and reap the advantage without cost and without danger.

That time appears to have passed, and as England has weakened, the old equilibrium has failed. A single example will suffice of an universal movement. A year ago Great Britain attacked a few thousand obscure peasants in Central Africa. To the bewilderment of mankind her armies were defeated, her troops fled in rout, her choicest regiments surrendered. London was plunged in dismay; for the first time in her history the Kingdom seemed to lose confidence in herself, and leaned upon her colonies. Then the world,

actuated by one common instinct, closed upon the enfeebled giant. Every Power had long hankered for booty, and every Power exacted terms.

Germany had her price paid; France received less, but still an equivalent; but Russia took most. Openly mobilizing troops to threaten Herat, she demanded a free hand in Asia. With one stride she entered Persia, with another she set her foot on Corea, while reaching out toward the heart of China she gripped the sinking government at Peking by the throat. The barrier had been broken down, the equilibrium of society had been deranged, and the inevitable catastrophe ensued.

The Chinese, already goaded to the uttermost by the burrowing in their entrails of the Western races in their hunt for wealth, did what the Boers had already done in Africa, and rebelled. Only, unlike the Boers, they rose with the vindictiveness and ferocity of Asiatics. Whither the revolt will lead is beyond prediction, but this much is certain: America must, in the future, fight her own battle whether she will or no. From this inexorable decree of destiny she cannot escape.

The centre of the economic system of civilization is in motion, and until it once more comes to rest, tranquillity cannot return. All signs now point to the approaching supremacy of the United States, but supremacy has always entailed its sacrifices as well as its triumphs, and fortune has seldom smiled on those who, beside being energetic and industrious, have not been armed, organized, and bold.



## RUSSIA'S INTEREST IN CHINA

ALTHOUGH Americans seem, at last, to realize that the economic centre of the world is moving westward, and has already, probably, entered the United States, they incline to dismiss the subject as an abstraction; yet nothing can be more certain than that no such migration of empire has ever yet taken place without prolonged convulsions. Already this generation has had a foretaste of what such a movement may portend. The old social equilibrium reached at Waterloo passed away in 1870 when Germany consolidated after Sedan; that consolidation led to a reform of the coinage, which in its turn caused an universal derangement of values culminating in the panic of 1893. One of the effects of that panic was a decline in the price of sugar, which ruined the Cuban planters, disorganized labour, and thus brought on the insurrection which ended in the Spanish War.

But the Spanish War is relatively insignificant compared with the fruits of the catastrophe of 1893 which are now becoming visible. That catastrophe took, in the main, the form of a forced liquidation of America's foreign indebtedness, a liquidation which could not be conducted on the basis of the exportation of farm products at the prices then ruling. This necessity of providing something wherewith to meet the demands of creditors ended by stimulating cheap manufacturing, mining, and transportation, until we commanded the European market. In the end we succeeded in creating an enormous balance of trade in our favour, but in so doing we shook the civilization of the Eastern continent to its centre. As a result of our high fortune Europe is steadily sinking into economic inferiority, an inferiority especially marked in minerals, which are the core of modern industry. For the first time in human experience a single nation this year leads in the production of the precious metals, copper, iron, and coal; and this year also, for the first time, the world has done its banking to the west and not to the east of the Atlantic.

Necessarily, as America gains in momentum Europe relatively loses. The mines of the precious metals failed her long ago, copper followed, and now iron and coal have reached a price which threatens to hamper competition. Under such circumstances the people of Europe stand at bay, since ruin, more or less complete and immediate, menaces them if they fail to provide themselves with new resources as cheap and abundant as those of America.

Such resources do actually exist in the provinces of Shansi and Honan in Eastern and Central China, and it is, perhaps, mainly the attraction of this mass of undeveloped wealth which has excited the Western nations to wring successive concessions from the Chinese until the limit of endurance has been passed, and the long-expected revolt against foreigners has begun. That revolt is only one inevitable step in the progress of Chinese disintegration and reorganization. Cost what it may, sooner or later the mineral deposits of Shansi and Honan will be seized by Europeans, and he who can successfully develop these immense beds of iron and coal, by

means of Chinese labour, may well hope to defy all rivals. Nevertheless, so rich a prize is not to be lightly won; too many great interests are involved; and on the decision of the fate of China may, perhaps, hinge the economic supremacy of the next century.

Not only from her geographical position, but from the magnitude of the stake she has at issue, Russia must play a leading part in the future of Asia, and during the past year her movement has been accelerated by the weakening of England. From Waterloo down to 1899 Great Britain acted as a sort of balance wheel to human society, she operated as the containing force of civilization. With the Boer War this period appears to have terminated, for the United Kingdom promises to be unequal to assume heavier burdens than those she now bears. Having failed to display either the military or the financial energy anticipated of her, by herself, her friends, or her enemies, England has stood aside, and as she has effaced herself Russia has dilated. The Russians have overflowed Persia, laid hands on Corea, and all signs pointed, in the early spring, to their design to



occupy Peking, thus commanding Shansi and Honan. These provinces lie to the west and south of the capital, distant only some three or four hundred miles from ports, and containing the richest mines in the world.

The Germans have been equally aggressive, and there is ground to suspect that the growth of the ascendancy of these powers over the Chinese administration, an ascendancy unsupported by armed force, may have been the proximate cause of the outbreak which began in May. That outbreak may serve hereafter as the excuse for introducing garrisons.

Assuming that Russia, or Russia and Germany, can successfully occupy this region, and that England will not risk a war in opposition unless backed by redoubtable allies, a serious responsibility is cast on the United States. Apparently America must more or less completely assume the place once held by England, for the United States could hardly contemplate with equanimity the successful organization of a hostile industrial system on the shores of the Pacific, based on Chinese labour, nourished by European capital, and

supplied by the inexhaustible resources of the valley of the Ho-hang-ho.

In the present juncture, therefore, no problem can be more pressing than to estimate the real energy and capacity of Russia; to try to measure the task she can accomplish alone, to ascertain the point at which she may have to seek aid abroad, and lastly to determine whether the United States can afford to allow that aid to be drawn exclusively from Europe.

Americans are apt to picture Russia as a country somewhat resembling their own; that is to say, as young and imperfectly developed, but with indefinite resources, and inhabited by a race adapted to the exigencies of modern industrial competition. Doubtless this view is held by many well-informed persons, and yet there is ground for doubting whether Russia, as now organized, ever has held, or ever can hold, her own against the West.

Far from being young, Russia is venerable, even judged by Asiatic standards. The Czar traces the source of his semi-divine authority back to the traditions of Byzantium; his descent from the Greek emperors; and when

London and Paris were clumps of hovels clustered on the banks of the Thames and Seine, Kiev was a rich and splendid city, frequented by merchants from many lands, endowed with famous schools, and adorned with churches whose mosaics rivalled those of Constantinople. In the first half of the eleventh century Russia lay in the line of commerce, and stood, probably, more fully abreast of the movement of the age than she has at any other epoch. When the Eastern trade centred on the Bosphorus, the portion which sought the Baltic ascended the Dnieper to Kiev, then passed to the Lovat, and so by Lake Ladoga to the Gulf of Finland, building up Novgorod the Great upon the way. But wealth, intellectual activity, and art, all withered under the competition of Italy, when Italy, stimulated by the Crusades, woke to life in the twelfth century.

During the twelfth century the focus of commercial activity moved toward Lombardy, the routes of travel changed, and as Russia became isolated, her vitality ebbed. By 1150 Venice had begun to supplant Constantinople; in 1169 Kiev suffered its first sack; while in 1224, only twenty years after the overthrow of

the Greek Empire by the Franks, the Tartar domination in Russia began with the victory of the Kalka. That domination lasted three hundred years, and when it closed Russia had grown Asiatic. During the interval the country had been severed from the West, the capital had moved to Moscow, egress to the Baltic had been barred by Germans, Poles, and Swedes, and only in 1554 did Ivan the Terrible succeed in opening the Volga as far as Astrakhan, and navigating the Caspian. Until the eighteenth century no outlet existed on the Black Sea.

Nothing, however, remains stationary, and when the economic capital of Europe, pursuing its migrations, reached Flanders toward 1500, an unparalleled activity set in upon the shore of the North Sea. Even before Ivan conquered Astrakhan, English adventurers had penetrated to Moscow by way of Archangel and the Dwina, Archangel being, until the acquisition of Narva in 1558, the only port in the Czar's dominions open to the ocean.

From this moment date the difficulties of modern Russia, for then an archaic and sluggish community entered into the vortex of



competition with races more active and highly organized than itself.

To speak plainly, Russia relapsed into barbarism; but as a barbarous state it could only survive while completely separated from more advanced enemies, for communication meant equality of armament, with all the cost implied thereby, or subjugation. Therefore Russia armed, organized, and went into insolvency; but previously, while isolated, her finances had been sound, and her population relatively prosperous. Even as late as the time of the Czar Alexis, who died in 1676, the monarch lived in splendour, maintained a sufficient army, and amassed a treasure, with a revenue of 6,000,000 roubles.<sup>1</sup>

Under Peter the Great the tide of competition flowed resistlessly. By it the Russians were drawn down to the Baltic, and from the hour that Western economic standards were imposed upon them, they recognized their position as hopeless unless they could reach some sort of industrial equality with their rivals. Hence Peter surrounded himself with Dutchmen, Germans, and English; hence Catherine

<sup>1</sup> The rouble equalled about 80 cents.

II. sought to people the valley of the Volga with emigrants from the Palatinate; and hence those efforts of the last ten years to convert the Southern Steppes into a sort of Pennsylvania, which have astonished the world.

The task attempted has been prodigious; the sacrifices exacted from the people have reached the limit of human endurance; but there is reason to believe that hitherto the effort has failed. Probably the weight of Russia as a factor in modern competition tends at this moment rather to decline than to increase.

To appreciate the crisis which Russia is facing neither its geographical position nor its past can be ignored. Russia is expensive to develop, for she is cursed with costly outlets. To the south she is shut in upon an inland sea; to the north her harbours are few, distant from the richest portions of the country, and icebound. Siberia is but a narrow strip between two deserts, a strip so narrow that transportation in bulk, such as is the basis of the American system, seems forever impossible. For these reasons Russia remains relatively now much what it was in Peter's time — an

isolated mass with a highly eccentric capital, wretchedly poor, with unsatisfactory communications, schools, and administration. Lastly, to make head against these disadvantages, Russia is peopled by an archaic race; that is to say, by people who move more slowly, and therefore more wastefully, than their Western contemporaries. A race, moreover, essentially Asiatic. The Russians have patience, tenacity of life, and, possibly, adaptability to foreign guidance; but they are ignorant, uninventive, indolent, and improvident. As a result the resources of the Empire have proved inadequate to the demands made upon them; the revenue has always shown a deficit since Peter the Great, and when the finances have been subjected to a severe strain they have collapsed.

Not only does Russia suffer from her geographical position, but her improvidence makes her, even in prosperous times, accumulate debt faster than capital. As one of her best financial writers has remarked,—

“We administer our public fortune with the same heedlessness as our private fortune. However rapidly the resources of the state augment, the expenses augment more rapidly still. Compared with the revenues, which have quadrupled, our public debt has quintupled,”

and this was written before the advent of de Witte, the most lavish of ministers.<sup>1</sup>

The Russians have never known the solvency indicated by a sound currency and an annual surplus. The present nominal gold standard is only a repetition of former expedients, and consists in the repudiation of one-third of preëxisting forced loans. Originally the Russian standard was the silver rouble worth \$0.748, but, after the fall in silver, the Russians, being bimetallic, measured by the so-called gold rouble, though no such coin existed. Paper from the outset fluctuated, but by degrees it was brought to a tolerably steady ratio of three to two in relation to gold, until by 1894 it only varied 1.94 per cent in the course of the year. M. de Witte's reform of 1897 consisted in adopting the paper rouble as the standard and scaling down the gold coin 33 per cent. That is to say, in 1897 Russia practically cancelled one rouble out of three of its existing currency, calculating that currency at its par value.<sup>2</sup>

<sup>1</sup> Skalkovsky, "Les Ministres des Finances de la Russie," p. 307.

<sup>2</sup> Writing historically I am obliged to use the "gold rouble" to designate the old coin of full value.



Up to 1768 the government used a debased copper coinage and resorted to a series of desperate expedients to raise funds, but in 1768 Catherine II. believed she had found an exhaustless source of wealth in paper money, which she substituted for the preëxisting tokens. It was then the germs of the subsequent bankruptcy of 1839 were laid. This paper, called assignats, always tended to increase and to depreciate. During the Napoleonic wars, in spite of English subsidies and a share of the French indemnity, it reached 839,000,000 roubles and had fallen in value to less than four to one in relation to silver. By 1839 the burden had grown too heavy, and Count Cancrine issued a new "credit rouble" on the basis of one to three and one-half, which constituted a repudiation of about 72 per cent. Yet these new roubles within ten years had fallen to 10 per cent discount.

Probably a complete readjustment of all debts would have supervened had not the Russians just before this time discovered that they could borrow abroad, and Gouriew availed himself so liberally of this expedient that, when he retired in 1823, he was accused

of "bringing the state to bankruptcy" through the instrumentality of the Rothschilds.

The Russians are not a commercial people, consequently their finances have never been administered by men of business and have always borne an amateurish stamp. Little serious attempt at economy has ever been made, and though the people may be starving, and the currency in confusion, the Court and the administration have always been conducted on the most lavish scale in Europe. Nevertheless, by means of the repudiation of 1839, some semblance of order was restored. That is to say, the deficit was reduced to about 30,000,000 roubles in good years, and through foreign loans a treasure was amassed large enough to lure the Czar Nicholas into attempting the Crimean War. Two campaigns sufficed to exhaust the economic endurance of the Empire. In 1855 the deficit reached 262,000,000 roubles, and at the peace the paper currency amounted to 735,000,000, while 321,000,000 roubles had been extorted as a loan from all the institutions in the country which had funds. In precisely the same way Russia broke down twenty-two years later under the walls of

Constantinople, and surrendered the fruits of victory, because her paper issues had attained the enormous volume of 1,200,000,000 roubles, and her 5 per cent bonds could hardly be sold in small amounts in Berlin at 26 per cent discount.

Whether in peace or war, no minister of finance during this century has ever kept the cost of government within the limits of the revenue. The bonded debt has grown under every administration, but under none so fast as under the last. The list is curious, and even startling.

In 1810 Alexander I. appointed Gouriew, who held office thirteen years; beside enormous emissions of assignats, he incurred an interest-bearing debt of 185,688,000 roubles. Cancrine, his successor, struggled with hopeless deficits, resorted to the most desperate expedients to raise funds, even selling exemptions from military service, emitted much paper, added 115,000,000 roubles to the debt, and finally, in 1839, wiped out three-quarters of the assignats by issuing a new credit rouble at a ratio of one to three and one-half. Yet nevertheless, in spite of so sharp a contrac-

tion, the new rouble fell to 3 per cent discount in 1843, and to 10 per cent in 1848. Cancrine died in 1845, and each of his three successors borrowed, more or less freely, to fill deficits, until Reutern became minister in 1862. In his first six years his loans reached 451,000,000 roubles, and in 1864-66 he emitted 63,000,000 treasury notes. Reutern retired in 1878, and Grieg, who followed, had to set the finances in order after the Turkish War; he, Abaza, and Bunge borrowed money abroad when they could, and, when they could not, issued paper at home. Thus, about the time when Vychnégradsky, de Witte's predecessor, took office, in 1887, affairs reached a crisis. The deficit continuing, severer taxation was resorted to, a panic broke out in 1888, the rouble depreciated 50 per cent, and had it not been for an exceptionally abundant harvest, a complete collapse might have occurred. A change, however, was at hand. The moment had arrived when Russia became mistress of fabulous wealth.

Previous to 1888 Russia had been mainly dependent on Germany for her capital, and this dependence had amounted to a species



of subjection, for the German bankers had not scrupled to use their power as creditors to the utmost to impose a policy on the Russian government. In 1888 the full magnitude of the change of social equilibrium wrought in 1870 manifested itself. As Central Europe had consolidated, France had been isolated, and her isolation placed her in mortal peril. This peril stimulated her people to strengthen Russia at any cost, since without an ally the Republic feared dismemberment. Thus for several years the savings of France stood at the disposal of Russia, and the results which followed are, perhaps, without a precedent. In time of peace, between 1888 and 1897, Vychnégradsky and de Witte borrowed nearly 1,079,000,000 roubles, of which vast sum perhaps one-half represented investments in railways, or a possibly productive outlay. In the first four years of de Witte's administration the annual disbursements rose from 900,000,000 roubles to 1,413,000,000, and for the year 1900 the budget shows a deficit of 160,600,000 roubles, or \$80,300,000.

It is true that the recent budgets have been made to indicate a surplus, but this surplus is

delusive. De Cyon years ago demonstrated that the apparent surpluses exhibited by M. de Witte are in reality caused by the application of the unexpended balance of old borrowings to the payment of current expenses. For example, the budget for the year 1900 shows an application of 160,000,000 roubles drawn "from the free balance of the treasury." Now this "free balance" is, in the language of de Cyon, only "the avails of unemployed loans."<sup>1</sup> That an actual deficit exists is proved by the advance of the debt.

Nor is the state debt the only, or even, perhaps, the heaviest burden which the Russians have assumed in their struggle for industrial development. Not being by nature inventive or mechanical, the community has striven for two centuries to domesticate foreign industries, by importing foreign labour and foreign capital. To provide the necessary inducement the Russians have enacted a nearly prohibitive tariff, and attracted by the large gains which may be realized under this tariff, Germans, Belgians, and French have established plants

<sup>1</sup> E. de Cyon, "Où la Dictature de M. Witte conduit la Russie," XVIII.

whose profits are remitted abroad. Thus not only is the price of all the necessities of life raised for the peasant, but the cost of internal improvement is increased. For example, the government, instead of buying its railway material in the cheapest market, buys it at home at 50 per cent advance; to pay this price to the foreigners who control the iron works, money is borrowed abroad, which money returns whence it came, and then a new loan must be negotiated in Paris or Berlin to pay the interest on the funds thus drained away.<sup>1</sup>

In 1891 a French syndicate offered the Russian government to build the Siberian railway within six years, at an average cost of 40,000 roubles the verst,<sup>2</sup> offering a guarantee that the cost should not exceed the sum indicated. The government declined the offer

<sup>1</sup> An example of this process may, possibly, be now in progress. It is rumoured that the Bank of France is accumulating specie this summer preparatory to the negotiation of a new loan by M. de Witte. It appears to be agreed that much of the gold flowing to Paris comes, directly or indirectly, from Russia. Hence, if the rumour is true, we may infer that the bullion originally bought by Russia with the avails of foreign loans, leaks back to Paris to be returned in the form of a new loan, but a loan far harder to place than the first.

<sup>2</sup> The verst is seven-tenths of a mile. See "*Où la Dictature de M. Witte conduit la Russie*," E. de Cyon, 62.3.

and undertook the task itself, and this is a sample of what happened: The division from Cheliabinsk offered no particular difficulty, and the syndicate estimated it at 20,000 roubles the verst. It has already cost 53,000 roubles the verst, and the rails which have been laid are generally so light that they will have to be replaced before the road will carry heavy traffic.

Some of this vast excess of outlay may be attributed to the price paid for domestic material, but not all. The chief leakage is due to a weakness in Russian civilization, which vitiates all financial and administrative methods. Russian society is archaic; the system of agriculture may serve as an illustration. The basis of Russian agriculture is still communal ownership, which represents an intellectual condition perhaps equivalent to that of Europe three centuries ago. Moreover, the Russians are Asiatic, and therefore less vigorous, energetic, and inventive than Western races. Accordingly, Russian peasants are miserably poor.

Estimating by aid of the figures of M. de Witte's reports, the average annual production



per person approximates twenty-nine roubles; of these twenty-nine roubles upwards of twelve are absorbed in taxes, leaving about seventeen roubles as the income of the individual. Such estimates are vague, but they serve to give an idea of the impossibility of a population nearly starving, unable to buy machinery, crippled by infamous roads and insufficient railway transportation, and enervated by the rotating proprietorship of land incident to communal ownership, competing with the capitalistic methods of the Dakotas. Obviously the value of the Russian agricultural exports must tend to decline.

For precisely similar reasons the Russian railway must be a costly and an inferior railway, because it is the product of a primitive society which generates a defective civil service. The archaic idea is to pay the official by fees; for it required an advanced economic intelligence to comprehend that it is cheaper for each citizen to be taxed for fixed salaries, than for the individual to pay for the service he needs as he might pay a doctor or a lawyer. Verres, for example, administered Sicily for what he could make out of it, and Verres and

his like engendered the Empire, under which the salary system prevailed. Colbert undertook to uproot the fee system in France, and failed. The Revolution accomplished his work.

Russian officials are expected to supplement insufficient salaries by fees; hence fees, though not necessarily implying dishonesty, are universal, and entail waste and delay. The most important work, even of a routine character, may be hindered for months because some obscure official has been overlooked, who has quietly waited until the sufferer should find and pay him. Hence railways are costly, ill-organized, ill equipped, and slackly run, and though freight rates may be nominally low, they become high through maladministration. From the palace of the Czar to the hut of the peasant, the same waste, the same inertness, and the same incapacity prevail. The result is that the harder Russia is pressed by Western competition, and the more capital she is driven to borrow to invest in industrial expansion, the heavier is the burden of the nation in proportion to its resources, and the more hopeless its financial outlook.

Although between 1888 and 1897 the state debt increased about 1,079,000,000 roubles, or over 20 per cent, the interest charges only advanced 3,500,000 roubles on account of M. de Witte's success in refunding at reduced rates. Nevertheless the pressure of this portion of the expenditure is undoubtedly severer now than formerly, since, in the present, a far larger proportion of the debt is owned abroad, than in the previous decade. Therefore if in 1887 the annual payment on the debt and sinking fund came to 278,591,000 roubles, of which the part to be remitted abroad might have been covered by a trade balance of 260,000,000 roubles with perhaps a margin, a fall in the relation of exports to imports as the process of conversion went on, would leave the country in a precarious condition.

Between 1886 and 1890 the exports of Russian merchandise exceeded the imports, on the average, by 260,100,000 roubles. Between 1891 and 1895 this balance fell to 167,554,000 roubles, and in the three years 1896-98 to 147,812,000 roubles, and this in spite of the high price of grain in 1897. Therefore since the French inflow of capital began, the balance

from sales of merchandise has decreased 43 per cent, certainly leaving the country with a deficit on its fixed charges. Nor is this the worst. The enormous foreign investments in industries have to obtain a profit from sales at high prices to the peasantry or the government, and the money thus taken from the country is sent abroad as regularly as state interest. Therefore, when M. de Witte fails, as he has failed this year, to negotiate new loans, the specie accumulated in St. Petersburg, which is the result of old borrowing, has to be exported to Paris in default of exchange. It was a recognition of this fact which probably led the Czar to call the Peace Conference, in the hope of limiting armaments and therefore expenditure.

The inference is that Russia, as now organized, is not upon a paying basis, and that Russians are ill adapted to the exigencies of modern competition. This inference is also strengthened by the fact that the commercial interests of the Empire, in the chief cities of European Russia, are passing under the control of Germans and Jews, and that German is the language of finance.



Conversely, it seems to be generally conceded that the condition of the peasantry is deplorable. As the price of grain has fallen, taxes have risen until the margin of profit upon the average crop has dwindled to a bare subsistence, and a bad season means famine. Famine, not because bread is dear, but because the population lacks money wherewith to purchase. Hence starvation has become chronic in the Empire, and there is seldom a time when people are not dying either from hunger, or from the effects of hunger. Last winter Bessarabia was immolated, a province which had never before known scarcity, and the bitterness of the situation lies in this, that when all has been sold and the cattle have been killed, and nothing is left to seize, the taxes accumulate, and these arrears sweep away any surplus which might remain after the next era of plenty. For this reason the inhabitants of the valley of the Volga are abandoning their farms and wandering toward the wastes of Siberia, where too often an equally miserable fate awaits them.

Such phenomena point to the conclusion that Russia must either undergo a social

reorganization which will put her upon a cheaper administrative basis, or she must obtain fresh property which she can mortgage; that is to say, she must expand.

What a social revolution in Russia would portend transcends human foresight, but probably its effects would be felt throughout the world. The conservative instincts of the race are, however, very strong, and in all likelihood they will prevail until the last extremity. Assuming, therefore, that the existing status of society will remain unchanged, an alternative appears to be presented to the people.

Foreign borrowing has, apparently, been carried to something like its limit, unless new securities can be pledged, but such securities are usually the fruit of war. The most brilliant would be the Shansi minerals. The development of those deposits offers the best, and, perhaps, the only chance for that industrial development for which the Russians have striven for two centuries, and hitherto failed. War is costly, but the Russians have a large treasure in gold which they can spend in expansion. If they succeed, they

will have won the richest prize of modern times. If they fail, they will only arrive a few years earlier at the issue of more paper money, a measure which appears inevitable if they follow their present policy to its end; for, with the balance of trade going against them, and the interest account growing, if the reserve of specie is not used in war, it seems destined to be exhausted in paying the charges on the debt.

Should the military and agrarian party get the upper hand, as some think it has the upper hand already, an attempt would probably be made to absorb the northern provinces of China. The question is how this would affect the United States. Evidently the United States has nothing to gain by the opening up of Asia. The United States is now mistress of the situation; the United States is fast attaining a commercial supremacy heretofore unrivalled. An industrial movement in the valleys of the Hohang-ho and Yangtse could only tend to her embarrassment. The best thing that could happen for her would be for China to remain quiescent. But the very success and energy

of America make it unlikely that China can stay stationary; an effort at development is inevitable, and it behooves Americans to consider whether they can safely allow that development to be wholly controlled by others. If Russia should absorb Shansi, she cannot organize it alone. She has neither the genius nor the capital. She must mortgage her property, in the future as in the past, and there is a likelihood that the mortgagee will ultimately come into possession.

Even supposing the unlikely contingency of a conflict between Japan and Russia, in which Japan should prevail, the situation would remain substantially unaltered. The Japanese, both from a financial and an administrative point of view, are fully as incapable as Russia of handling such a task unaided, and should they overcome their adversary, they would have to employ his methods in order to utilize their victory.

There remain the English, the Germans, and ourselves. The English may, probably, be dismissed from consideration; their energies are already overtaxed, and of late, save in South Africa, British capital has shown a



tendency to contract, rather than to expand, its sphere of activity. The Germans, on the contrary, are aggressive, and are likely to take the present opportunity to occupy Peking in force. Were the Russians and the Germans to coalesce in order to dominate Northern China, and were the country afterward to be administered by Germans, with German funds, to the exclusion of the United States, a strain of a very serious nature might be put upon America.

Our geographical position, our wealth, and our energy preëminently fit us to enter upon the development of Eastern Asia, and to reduce it to a part of our economic system. And, moreover, the laws of nature are immutable. Money will flow where it earns most return, and investments once made are always protected. Evidently Americans cannot be excluded from China without a struggle, and they may not, perhaps, be welcomed by those who have hitherto shown most anxiety to obtain a foothold there. The Chinese question must, therefore, be accepted as the great problem of the future, as a problem from which there can be no

escape; and as these great struggles for supremacy sometimes involve an appeal to force, safety lies in being armed and organized against all emergencies.

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